

EN
E-004440/2020
Answer given by Mr Gentiloni
on behalf of the European Commission
(15.10.2020)

The Commission staff working document “Country Report Italy 2020”¹ includes an analysis of Italy’s tax system. Overall, the main challenges identified by the Commission are the high tax burden on labour and the high level of tax evasion. This analysis shows that removing the exemption from Imposta Municipale Unica (IMU) for main residences (with different degrees of progressivity) and using the additional revenues to reduce taxes on labour would increase incentives to work with a positive impact on economic growth.

From 2012 to 2019, the country-specific recommendations to Italy in the framework of the European Semester, as proposed by the Commission and adopted by the Council, have advised Italy to shift the tax burden away from labour onto tax bases less detrimental to growth, including property. In the framework of the 2017 European Semester, the recommendations specified that this should be achieved also by “...reintroducing the first residence tax for high-income households”.

The country-specific recommendations to Italy have not included references to additional property taxes.

¹ SWD/2020/511 final