# Expat Tax Clarity™ Workshop

Session Workbook

# Table of Contents

# Module 1: Tax Residency Rules

- Tax residency generally begins after spending more than _______ days.
- France also considers ________________________, ______________________, and ___________________ to determine tax residency.
- Italy considers _________________________, __________________________, and ____________________________.

## What if I'm not a tax resident?

If you're not considered a tax resident in France or Italy, **you may still owe taxes** on income sourced from that country, like rental income or local employment.

However, your worldwide income typically won't be taxed by that country. As a U.S. citizen, you'll still be required to file a U.S. tax return and report your global income annually, regardless of your residency status abroad.

## Module 2: Progressive Tax Brackets

Both France and Italy employ progressive income tax systems, where tax rates increase with higher income levels. Below is a comparative table of the 2025 income tax brackets for each country:

| France (2025) | Tax Rate | Italy (2025) | Tax Rate |
|---|---|---|---|
| Up to €11,520 | 0% | Up to €28,000 | 23% |
| €11,521 – €29,373 | 11% | €28,001 – €50,000 | 35% |
| €29,374 – €83,988 | 30% | Over €50,000 | 43% |
| €83,989 – €180,648 | 41% | | |
| Over €180,648 | 45% | | |

# Module 3: Tax Treaties + Double Taxation

The U.S. has tax treaties with both France and Italy that are designed to prevent double taxation—so you don't get taxed twice on the same income.

These treaties outline which country has the primary right to tax certain types of income (like pensions or Social Security) and provide mechanisms for claiming tax credits or exemptions.

Understanding these treaties is essential for retirees who want to keep more of their income and avoid costly surprises.

## Important details to know:

- France ______________ tax U.S. Social Security benefits.
- Italy ______________ tax U.S. Social Security benefits.
- France ______________ tax U.S. based retirement accounts (401k, IRA, SEP IRA).
- Italy ______________ tax U.S. based retirement accounts (401k, IRA, SEP IRA).
- Roth IRA / Roth 401k withdrawals are _______________ in France.
- Roth IRA / Roth 401k withdrawals are _______________ in Italy.*

# Module 3: Tax Treaties + Double Taxation (cont'd)

**France -** Article _______ deals with Social Security and pensions. Article _______ deals with U.S. investment accounts, capital gains, and interest, giving a _______________________ for taxes due in France.

**Italy -** In Italy, U.S. Social Security, most pensions, and 401k/IRA/SEP/403b withdrawals are considered ______________________________ .

Importantly, ______________________________ are NOT taxed in Italy, only in the U.S., unless you become an Italian resident.

## Double Taxation

- IRS form __________ is used to claim credit for foreign taxes paid.
- In France, form ___________ is used to claim foreign taxes paid.
- In Italy, the section called ____________________ is used to claim foreign taxes paid.

**Note:** Foreign tax credits can be carried forward for _______ years in the U.S. It doesn't matter in which country you file and pay taxes first.

# Module 4: Italy’s 7% Flat Tax Regime

Italy’s 7% flat tax regime offers a compelling opportunity for retirees with foreign pensions seeking to enjoy la dolce vita while minimizing their tax burden. Eligible individuals pay a flat 7% tax on all foreign-sourced income—including pensions, dividends, rental income, and capital gains—for up to 10 years.

## Requirements to qualify:

- You must receive a ________________ pension.
- You cannot have been an Italian resident for the previous ______ years.
- You must relocate to a town with fewer than _____________ residents.
- The town must be in one of ______ regions in the south, or select towns in ________________ , ________________ , or ________________ .
- The 7% flat tax regime is a __________________________, not an ______________________________ .
- Under the 7% Flat Tax regime, you do not pay ________________________, and you are not required to declare ________________________________.

# Module 5: Other Taxes To Know About

## Wealth Taxes In France

- The wealth tax in France is called __________ .
- France taxes worldwide real estate with a net value over ___________________ .
- The first €_____________________ is taxed at a rate of 0%. Then progressive taxes between _______ and _______ are levied.

## Wealth Taxes In Italy

- In Italy, the wealth tax on foreign real estate is called ________________ . And the rate charged is _________ .
- The wealth tax on __________________________________ is called _______________ . The rate of tax is __________ .

## French Inheritance Taxes

Inheritance taxes in France can be onerous with rates as high as __________ depending on relationship to the deceased.

## Module 5: Other Taxes To Know About (cont'd)

- Spouses get an ___________________ exemption.
- Parent/child/grandchild can received €__________________ tax free.

### Inheritance Taxes In Italy

- Spouse or direct descendants (children, grandchildren): ______ % on amounts over €1 million per heir
- Siblings: ______ % on amounts over €100,000 per heir
- Other family members up to the fourth degree: ______ % on the entire value, no exemption
- Non-relatives and others not mentioned: ______ % on the entire value, no exemption

## Notes On Case Study Examples

## Reflections + Items For Further Research

# Thank You For Attending!

Watch for more events coming...