

Flat-rate regime for the self-employed - Availability of the contribution benefit

1 FLAT-RATE REGIME FOR THE SELF-EMPLOYED

Article 1, paragraphs 54 - 89 of Law no. 190 of 23.12.2014 regulates the preferential tax regime for the self-employed (so-called "flat-rate"), intended for those carrying out business, art or professional activities in individual form.

1.1 CONDITIONS OF ACCESS TO OR PERMANENCE IN THE SCHEME

Access to the flat-rate regime, as well as its maintenance in subsequent years, is possible for subjects who, in the previous year:

- have received revenues and fees (possibly reported per year) not exceeding 85,000.00 euros;
- have incurred expenses for a total amount not exceeding 20,000.00 euros gross for ancillary work, employees, collaborators, profits paid to associates in participation with a contribution consisting only of work and sums paid for work services carried out by the entrepreneur or his family members.

In addition, the regime is precluded to persons who find themselves, during the application of the same, in the following situations:

- make use of special VAT regimes or flat-rate income determination regimes;
- are not resident in Italy, with the exception of those who are resident in one of the Member States of the European Union or parties to the Agreement on the European Economic Area and who produce in the territory of the Italian State income that constitutes at least 75% of the total income produced;
- carry out, exclusively or predominantly, the sale of buildings or portions of buildings, building land or new means of transport;
- carry out self-employment or business activities on an individual basis and, at the same time, participate in partnerships, associations or family businesses (Article 5 of the Consolidated Income Tax Act), or control, directly or indirectly, limited liability companies or joint ventures, which carry out economic activities directly or indirectly attributable to those carried out individually;
- carry out the activity mainly towards employers with whom employment relationships are or had existed in the two previous tax periods, or towards subjects directly or indirectly attributable to them, with the exception of subjects who start a new activity after having carried out the period of compulsory practice for the purpose of exercising arts or professions (the condition can be waived in the presence of mixed work contracts professional and subordinate part-time and permanent employment to employers with more than 250 employees, as established by art. 17 of Law no. 203 of 13.12.2024);
- have received, in the previous year, income from employment or similar, referred to in art. 49 and 50 of the TUIR, exceeding the amount of 30,000.00 euros (the limit is increased to 35,000.00 euros for 2025 and 2026 by art. 1 co. 12 of Law no. 207 of 30.12.2024, as amended by art. 1 co. 27 of Law no. 199 of 30.12.2025); The threshold does not have to be verified if the employment relationship has ended.

1.2 MAIN FEATURES OF THE SCHEME

The use of the regime makes it possible to determine taxable income on a flat-rate basis, by means of a different profitability coefficient based on the type of activity carried out, and to tax it by applying a substitute tax of IRPEF, IRAP and regional and municipal surcharges equal to 15%.

Under certain conditions, this rate may be reduced to 5% in favour of persons who start a new activity.

The regime also provides for the exclusion from VAT, IRAP and synthetic indices of fiscal reliability, the undeclared exemption from withholding taxes (to be suffered on the sums received and to be applied to those paid, with the sole exception of withholding taxes on the sums paid as employment income and similar income) and the facilitated determination of social security contributions.

With reference to the facilitation relating to the determination of social security contributions, for its use it is necessary to submit a specific application according to the methods and terms summarized below.

2 CONTRIBUTION RELIEF

The contribution relief contemplated by Law 190/2014 can only be used under certain conditions. In particular, its use is limited:

- to individual entrepreneurs only (with the exclusion of self-employed workers registered, for social security purposes, with the INPS separate management *pursuant to* Law 335/95, or with private professional funds);
- who, possessing all the necessary characteristics, apply the flat-rate regime for income purposes.

2.1 CONTENT OF THE FACILITY

The benefit consists in determining the contributions due to the aforementioned Gestioni by applying to the flat-rate income (subject to substitute tax) "*the contribution due for social security purposes, reduced by 35 percent*".

The aforementioned reduction operates both for the calculation of the contribution on the minimum income and for that possibly determined on the excess income (INPS circ. 19.2.2016 no. 35).

Contribution credit

For the crediting of the contribution, the provision of art. 2 co. 29 of Law 335/95, dictated with reference to the INPS separate management.

By virtue of this rule, the payment of an amount, based on the envisaged reduction, equal to the contribution calculated (with the ordinary rates provided for the Artisan and Merchant Management) on the minimum income (for 2026, equal to 18,808.00 euros), gives the right to credit for all monthly contributions relating to each calendar year to which the payment refers. On the contrary, in the event of payment of a contribution lower than that corresponding to this minimum, the months credited are proportionally reduced.

2.2 FORFEITURE OF THE BENEFIT

Considering that the prerequisite for applying the contribution benefit is the use of the preferential regime for income purposes, in the event that this regime ceases (voluntarily, following the exercise of the option for the ordinary regime, or involuntarily, due to the loss of the access requirements or the verification of one of the obstructive causes), the contribution benefit also ceases to apply starting from the year following the one in which the event occurs (option or exit).

If the regime ceases as a result of the ascertainment, by the Revenue Agency, of its unlawful use, the contribution benefit ceases retroactively, starting from the year for which the absence of the conditions for the flat-rate regime was ascertained.

Effects of forfeiture

The termination of the benefit determines:

- for social security purposes, the application of the ordinary rules on the determination and payment of the contribution due;
- in any case, the impossibility of benefiting from the tax relief again, even if the taxpayer, having regained the necessary requirements, applies the subsidized regime again for income purposes.

Notice of waiver of the benefit

With message no. 15 of 3.1.2019, INPS specified that the deadline by which the waiver of the subsidized contribution regime is sent is set for February 28 of the year for which the restoration of the ordinary regime is requested. As a result of the waiver, the ordinary contribution regime will be restored as of 1 January of the same year.

Communications received by the Institute at a later date will determine, on the other hand, the restoration of the ordinary contribution regime with effect from 1 January of the following year.

The procedures for submitting the waiver are similar to those already defined by INPS for the previous application for the facilitation.

Suppose a person who has applied the flat-rate regime with the contribution relief for 2025 and leaves this regime in 2026.

Based on the Institute's indications, if the waiver of the contribution benefit is received by 28.2.2026, the ordinary social security discipline will be applied from 1.1.2026.

If, on the other hand, the waiver is transmitted after the aforementioned date, the ordinary social security discipline would be restored only from 1.1.2027 (INPS circular 9.2.2026 no. 14, § 8 was also expressed in this sense) with the consequence that, for 2026, the contribution reduction would be applied without corresponding use of the facilitated regime for income purposes. However, this exposes the benefit to the recovery of unpaid amounts by INPS, since the benefit is used in the absence of the conditions identified by law.

2.3 EXCLUSION OF FURTHER CONTRIBUTION REDUCTIONS

By opting for the contribution benefit in question, ordinary reductions in favour of:

- family collaborators under the age of 21 who work in companies that adhere to the facilitated regime, who were entitled to a reduction in the contribution rate of 3 percentage points which was progressively reduced as a result of the increases provided for by art. 24 co. 22 of Legislative Decree 201/2011 (from 2025 this benefit is effectively exhausted, following the achievement of the ordinary contribution percentage of 24% also for this category of members);
- subjects (entrepreneur and family collaborators) already retired from the INPS Gestioni and over 65 years of age, to whom a 50% reduction in the contributions due would be applicable.

2.4 SUBMISSION OF THE APPLICATION

The contribution benefit is optional and accessible only upon application to be sent to INPS, according to the procedures defined by the same Institute with circ. 10.2.2015 n. 29 and 19.2.2016 n. 35.

Current activities

The "flat-rate" entities already carrying out business activities as of 31.12.2025, who join the contribution relief for the first time, have the burden of:

- fill in the electronic form specially prepared within the Social Security Drawer for Artisans and Traders on the INPS website; INPS circular no. 29 of 10.2.2015 had also been attached

to a paper form for those who do not yet hold an active position with the autonomous managements, to be delivered to the competent INPS office;

- submit this form, under penalty of forfeiture, by 28.2.2026; the deadline of 28 February must also be respected in cases where it falls on a Saturday or a public holiday, given that the automatic postponement to the first following working day is not applicable to this case; moreover, the deadline of February 28 remains firm even in the case of a leap year.

For individuals who have already subscribed to the contribution benefit in 2025, it also applies automatically in 2026, if the necessary requirements remain and no express waiver is produced (INPS circ. 9.2.2026 no. 14, § 8).

If the application is submitted after this deadline, access to the facility is precluded for the current year and a new application must be submitted by 28 February of the following year; in this case, the benefit will be granted from the first of January of the relevant year, provided that the applicant remains in possession of the legal requirements.

New activity

Individuals who undertake a new business activity in 2026, for which they intend to join the flat-rate regime, must communicate the choice of the benefit as soon as possible with respect to receipt of the registration measure, so as to allow the Institute to prepare the annual tariff (INPS circ. 9.2.2026 no. 14, § 8).

2.5 PAYMENT OF SUBSIDIZED CONTRIBUTIONS

The payment of the contributions determined by virtue of the above-mentioned facility is made:

- for the portion relating to the minimum contribution, during the year at the usual quarterly deadlines;
- for any portion to be determined on income exceeding the minimum, on account and in balance, at the same deadlines provided for the sums due on the basis of the INCOME form.

In addition, at the deadlines set for the payment of advances, the maternity contribution of 7.44 euros must also be paid, in two equal installments (3.72 euros).