

Employment of U.S. Dependents with SOFA Status in Italy

(Current as of 7 December 2023)

This pamphlet does not provide legal advice. The purpose of this publication is to clarify the legal status of U.S. dependents who fall under the provisions of the Status of Forces Agreement (SOFA) and to provide initial guidance. This pamphlet is not intended for retirees of the U.S. Armed Forces, nor should it be considered comprehensive or exhaustive advice. Upon speaking with an attorney at the 31 FW/JA Legal Office, you may be referred to seek an outside legal or tax professional for more specialized advice.

What is my legal status in Italy?

Under NATO SOFA, dependents of members of the Armed Forces and dependents of members of the Civilian Component are issued *missione* visas and *missione* soggiorno permits to legalize their presence in Italy. Dependents who fall under the provisions of the NATO SOFA are NOT considered ordinary residents of Italy.

What does this have to do with me working in Italy?

The Italian Mission Visa/Soggiorno only allows for specific types of work and is generally limited to Appropriated Fund (APF) employee positions (e.g. GS employees) and Non-Appropriated Fund (NAF) employment on-base. Other kinds of work are typically not permitted.

What about online or remote/telework?

Recently, the U.S. and Italian governments have reached an agreement allowing dependents with SOFA status to engage in remote work (also referred to as telework). For this purpose, remote work is defined as work for a U.S.-based employer, with payment in U.S. dollars, deposited to a US bank account.

Will I owe Italian taxes on my earnings?

Possibly. To answer this question, please contact the 31 FW/JA Legal Office (DSN 314-632-8901, Commercial +39 0434-30-8901).

Can I claim the foreign earned income credit on my Federal tax return for my remote/telework earnings?

Probably not. U.S.-based employment is not considered foreign income. However, if you are a teleworker who pays taxes to Italy on your earnings, you may benefit from the foreign tax credit. <https://www.irs.gov/individuals/international-taxpayers/foreign-tax-credit>

What if my remote/telework job is with the Federal government, or a State or local government in the U.S.? Do I have to pay taxes to Italy for the income I make on this work?

No. Teleworkers to Federal, State and local government agencies are exempt from declaring their income to Italy and from paying any taxes to Italy on their government income. Article 19 of the US/Italy tax treaty specifically exempts government service remuneration from taxation by the parties.

What if I'm an APF or NAF employee working on base? Do I have to pay taxes to Italy on this income?

No. You would pay taxes to the Federal government, and perhaps to any U.S. state you are a resident in. And you can't claim the foreign earned income credit on your Federal tax return for this income.

What about in-person work on the Italian economy?

You can't work on the Italian economy with a Mission Visa/Soggiorno. The Italian *missione* visa and *missione* soggiorno do not allow one to seek employment on the Italian economy. Unless they are citizens of Italy or another EU country, dependents who want to seek employment in Italy will have to obtain an Italian work visa BEFORE they arrive in Italy. Italian law allows a very small quota of work visas to be issued annually, and they are restricted to workers with specialized skills (i.e. scientists, visiting university professors, professional athletes) that cannot be readily found in Italy. To apply for an Italian work visa, the applicant must already have a job offer from an Italian employer that is willing to offer them a *nulla osta*. Without a *nulla osta* from a sponsoring employer, it is not possible to apply for an Italian work visa. Dependents who are **EU citizens** and who do not have a *missione* visa and *missione* soggiorno may possibly seek employment in Italy based on their EU citizenship.

What about seeking small one-time jobs like baby sitting or lawn mowing?

Non-EU citizens with *missione* visas/soggiornos are not allowed to seek these kinds of jobs because it violates Italian immigration law. Moreover, those who engage in babysitting, hairdressing, or other "odd jobs" risk further legal violations by not possessing the required licenses for those types of work. Irregular workers can find themselves in amplified legal trouble if there is accidental property damage or personal injury as a result of their activities.

Do I need a digital nomad visa to work remotely for a US-based employer while in Italy?

Italy does not currently issue digital nomad visas. In any case, as stated, based on the recent agreement between the U.S. and Italian governments, you may work remotely for a U.S.-based employer with your *missione* visa/soggiorno.

<p>If you have any questions, please contact the 31 FW/JA Legal Office for more specific advice. Legal Office DSN: 314-632-8901, Commercial +39 0434-30-8901</p>
