

Crypto Tax in the Italy - Based on a new budget that was approved by the legislature on Thursday, cryptocurrency dealers in [Italy](#) would be subject to a 26% tax on their profits as of 2023. In order to help firms and individuals dealing with the energy crisis, Italian Prime Minister Giorgia Meloni's 2023 expansionary budget includes 21 billion euros (\$22.3 billion) in tax reductions, according to Reuters. The 387-page budget legalizes crypto assets by describing them as "a digital representation of value or rights, which can be transferred and stored electronically, using the technology of distributed ledger or similar technology" in Italy, where digital currency is still mostly uncontrolled. Before the adoption of the European Union's Markets in [Crypto](#) Assets (MiCA) regulation, which guarantees a licensing framework and strictly required materials for crypto-service developers in the 27-member bloc, Italy moved to enact a capital gains tax on cryptocurrency. Gains from cryptocurrency trading are subject to a 26% rate if they surpass 2,000 euros every tax period. The new measure also establishes a "substitute income tax" for shareholders at 14% of the value of the assets held as of January 1, 2023, rather than the cost at the time of acquisition, as an incentive for disclosing cryptocurrency earnings. The new regulations allow losses from cryptocurrency investments to be subtracted from earnings and carried forward. However, because the paper also states that "the exchange of crypto assets having the same features and functionalities" does not constitute a "fiscal case," investors may need some extra clarification on what counts as a taxable event.

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