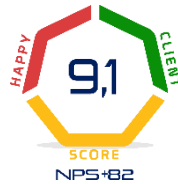


# Tax Rates Spain 2019



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## Introduction

This document outlines the most important **current tax rates** in **Spain**. There are exceptions such as special local regulations and exemptions for residents.

In case of doubt or in complex situations, please contact us. We will gladly be of your assistance.

If you have other questions or suggestions, please let us know.

**EuroEconomics Tax Department**

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**Corporate Income Tax**  
**VAT**



## Corporate Income Tax

One tax rate

25%

SMEs & Big Enterprises

For **new businesses**, that are not part of an existing -foreign- corporate group, a reduced rate of **15%** applies during the first two profitable years.



## VAT

<b>High rate</b>	<b>21%</b>	Standard
<b>Low rate</b>	<b>10%</b>	For example new homes
<b>Reduced rate</b>	<b>4%</b>	Only exceptions

In the general VAT system, you can only request a reclaim in January.  
Monthly repayment is possible in the special VAT system 'export-regime'.



**Income tax**  
**Wealth tax**  
**Inheritance and gift tax**  
**Foreign assets**



# Income tax

## General rates

income		tax	
from	until	rate	start bracket
0	12.450	19%	0
12.450	20.200	24%	2.365,50
20.200	35.200	30%	4.225,50
35.200	60.000	37%	8.725,50
60.000	>	45%	17.901,50

Non residents, EU	19%
Non residents, outside EU	24%

Each autonomous region has its own rates. These can be slightly higher or lower.

The first 5.550 euro is not taxed. Depending on the family structure, this amount can be increased.



# Income tax

## Returns & Profits

returns and profits	tax
< 6.000 euros	19%
6.000 – 50.000 euros	21%
> 50.000 euros	23%

Non residents, EU	19%
Non resident , outside EU	24%

### Examples:

- real estate
- interest, dividend
- stocks
- art, boats





## Wealth tax

taxable amount		tax	
from	until	rate	start bracket
0	167.129	0,20%	0
167.129	334.253	0,30%	334
334.253	668.500	0,50%	836
668.500	1.337.000	0,90%	2.507
1.337.000	2.674.000	1,30%	8.523
2.674.000	5.347.998	1,70%	25.904
5.347.998	10.695.996	2,10%	71.362
10.695.996	>	2,50%	183.670

The **tax free threshold** is **700,000 euros** plus an exception of 300,000 euros for residents for their (first) residence.

The regions can apply their own different thresholds and rates.



## Inheritance and gift tax

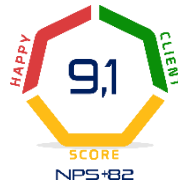
taxable amount		tax	
from	to	rate	start bracket
0	7.993	7,65%	0
7.993	15.980	8,50%	611
15.980	23.968	9,35%	1.290
23.968	31.955	10,20%	2.037
31.955	39.943	11,05%	2.851
39.943	47.930	11,90%	3.734
47.930	55.918	12,75%	4.685
55.918	63.905	13,60%	5.703
63.905	71.893	14,45%	6.789
71.893	79.880	15,30%	7.943
79.880	119.757	16,15%	9.166
119.757	159.635	18,70%	15.606
159.635	239.389	21,25%	23.063
239.389	398.777	25,50%	40.011
398.777	797.555	29,74%	80.655
797.555	>	34,00%	199.291

**Important:**

The Spanish **regions** are entitled to apply **own rates and exemptions**.

There are **considerable regional differences**.

For each specific situation it is important to look into the regional regulations.



## Inheritance and gift tax

In Spain the **receiver** has to pay inheritance or gift tax.  
The rate has to be multiplied with a **factor** depending on kinship and personal wealth.

wealth receiver		group I-II	group III	group IV
0	402.678	1,00	1,5882	2,0
402.678	2.007.380	1,05	1,6676	2,1
2.007.380	4.020.770	1,10	1,7471	2,2
4.020.770	>	1,20	1,9059	2,4

- Group I : Children < 21 years
- Group II : Children > 21 years, husband/wife, parents (group II has lower exemptions)
- Group III : Family 2nd en 3rd degree
- Group IV : Other (including cohabiting partner)



# Foreign assets

## Informative

Since 2013, fiscal residents in Spain have to submit an **informative declaration** in March if they:

- have for example **savings, investments** or **real estate** abroad, worth more than **50,000 euros**.
- or if they can dispose of them through **authorization**.

The return is informative. No tax is due, but the tax office will use the information to control other tax returns.

Failing to report is seen as fraud and heavily penalized.

Further information can be obtained via [welcome@euroeconomics.com](mailto:welcome@euroeconomics.com).



**Property Transfer Tax**

**VAT**

**Other**



## Property transfer tax

The 'general' property transfer tax is **10%**.

In some regions other rates apply, from **6% until 11%**.

In case a property is purchased with a real estate company to be resold within 5 years and after a possible renovation, there are some regions where the transfer tax is reduced **up till 70%**.

The conditions related to this can be requested at our firm.



## VAT on real estate

### Sale

<b>Property, new</b>	10%
<b>Property, used</b>	Property transfer tax
<b>Property land</b>	21%
<b>Commercial property</b>	21%

### Rental

<b>Property</b>	Exempt
<b>To tourists with services*</b>	10%
<b>Commercial property</b>	21%

\*) For properties with additional services, such as cleaning, bedlinen, etc. during the stay of the tourists.



## Other

- In case you purchase new property with VAT in Spain a stamp duty of **0,75% - 1,5%** of the purchase price applies. [In case you buy with property transfer tax - used properties – no stamp duty is due.]
- **Additional costs** include among others notary, register and cadastre costs. It is advisable to have certainty regarding the amount of these costs. As a general guideline you can use approximately **1%** of the purchase price.





## Questions?

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**English is spoken at all our offices**

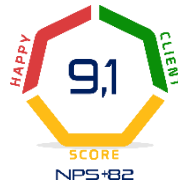
Welcome



# Welcome

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