



SPANISH TAXES FOR EXPATS

THE SPANISH TAX YEAR

1. Taxes in Spain are complex: state and region.
2. Severe fines and penalties.
3. The Spanish tax year runs from January to December.
4. Benefits: 102 double taxation treaties.
5. The two most important taxes for individuals are the Income tax return and the wealth tax.

AM I A TAX RESIDENT IN SPAIN?

THERE ARE 3 RULES:

1. Substantial presence test. You have spent more than 183 days in Spain within a single calendar year regardless of whether you are formally registered.
 2. Center of economic interest. Your primary professional activities are conducted in Spain essentially if you are self or otherwise employed in Spain
 3. Presumption test. Your main interests (eg. your spouse or children who are still dependent on you) live in Spain
- QUARANTINE RULE – moving to a tax heaven

INCOME TAX IN SPAIN

1. Spanish tax residents pay income tax on their worldwide income.
2. Non-residents only have to pay tax on any income generated in Spain.
3. Deduction of expenses.
4. 19% tax rate for EU non-residents.
5. 24% tax rate for rest of the world non-residents.
6. Income split in 2 categories: general activities and savings.
7. Regions like Navarra and the Basque country have special regimes.
8. Spanish income tax can go up to 54%.

INCOME FROM SAVINGS

- Interest from savings
- Dividend payments
- Income from life assurance policies
- Income from annuities
- Gains made from the disposal or transfer of assets

Since 2016 income tax rates on savings are the following:

1. Incomes up to €6,000: 19%
2. Incomes from €6,000 to €50,000: 21%
3. Incomes from €50,000 to €200,000 : 23%
4. Incomes over €200,000: 26% (added in 2021)

GENERAL INCOME

- Income from employment (salary)
- Pension
- Rent

Spanish tax rates on employment income:

1. incomes up to €12,450: 19%
2. incomes ranging from €12,451 to €20,200: 24%
3. incomes ranging from €20,201 to €35,200: 30%
4. incomes ranging from €35,201 to €60,000: 37%
5. incomes over €60,000: 45%

PERSONAL ALLOWANCE & DEDUCTIONS

- Spanish tax residents have personal allowance.
- €5,500 under 65 years of age.
- €6,700 once you reach 65.
- €8,100 over 75 year of age.
- Having children under 25 living with you.
- Having parents or grandparents living with you and the total income is less than €8,000.

WEALTH TAX

- Designed for people who hold significant worldwide wealth.
- Declared assets after a tax allowance of €700,000. In Catalonia, the tax allowance is up to €500,000.
- €300,000 tax allowance for primary residence in Spain, if tax resident in Spain.
- Tax rate goes from 0,2% to 2,5%.
- In Madrid there is no Wealth Tax.

| Base liquidable hasta euros | Cuota íntegra euros | Resto base liquidable hasta euros | Tipo aplicable Porcentaje |
|-----------------------------|---------------------|-----------------------------------|---------------------------|
| 0,00 | 0,00 | 167.129,45 | 0,2 |
| 167.129,45 | 334,26 | 167.123,43 | 0,3 |
| 334.252,88 | 835,63 | 334.246,87 | 0,5 |
| 668.499,75 | 2.506,86 | 668.499,76 | 0,9 |
| 1.336.999,51 | 8.523,36 | 1.336.999,50 | 1,3 |
| 2.673.999,01 | 25.904,35 | 2.673.999,02 | 1,7 |
| 5.347.998,03 | 71.362,33 | 5.347.998,03 | 2,1 |
| 10.695.996,06 | 183.670,29 | En adelante | 2,5 |


Agencia Tributaria
 Teléfono: 901 33 55 33
 www.agenciatributaria.es

Declaración informativa sobre bienes y derechos situados en el extranjero

Modelo **720**

Identificación del declarante
 NIF: _____
 Apellidos y nombre, denominación o razón social: **PLUOL FERRUSOLA OLEGUER**
 Teléfono de contacto: _____
 Apellidos y nombre de la persona con quien relacionarse: _____

Identificación del ejercicio
 Ejercicio: **2013**
 Número de justificante: 7204994355221

Indicador de declaración complementaria o sustitutiva
 Si la presentación de esta declaración tiene por objeto incluir datos que, debiendo haber figurado en otra declaración del mismo ejercicio y período presentada anteriormente, hubieran sido completamente omitidos en la misma, marque con una "X" la casilla "Declaración complementaria". Cuando la presentación de esta declaración tenga por objeto anular y sustituir completamente a otra declaración anterior del mismo ejercicio y período en la cual se hubieran consignado datos inexactos o erróneos, indique su carácter de declaración sustitutiva marcando con una "X" la casilla correspondiente.

Declaración complementaria por inclusión de datos... **X**
 Declaración sustitutiva
 Número identificativo de la declaración anterior **7204903857523**

Resumen de la declaración

| | | |
|---|----|---------------|
| Número total de registros declarados | 01 | 39 |
| Suma total de valoración 1: Saldo o valor a 31 de diciembre; saldo o valor en la fecha de extinción; valor de adquisición | 02 | 89.541.583,73 |
| Suma total de valoración 2: Importe o valor de la transmisión; saldo medio último trimestre | 03 | 482.773,38 |

FORM 720

- Overview of the individual's worldwide assets.
- Individuals that come to live in Spain and become Spanish tax residents must declare all assets abroad worth more than €50,000.
- People can incur high penalties.

PROPERTY TAX

- Owning a property and living in there from January 1st, you are subject to IBI (impuesto de bienes inmuebles).
- IBI applies to both residents and non-residents.
- Rubbish collection tax.
- When selling a property, you are taxed with transfer tax.

CAPITAL GAINS TAX

- Tax on profits from selling property or other investments
- Tax residents: pay capital gains tax on the disposal of any worldwide assets.
- Rates:
 - 19% for the first €6,000 profit
 - From €6,000 to €50,000, the tax percentage is 21%
 - From €50,000 to €200,000, it's 23%
 - From €200,000 upwards, it's 26%
- Non-tax residents: pay Spanish capital gains tax on gains made by the sale of any Spanish property.
- Rate:
 - flat rate of 19%. (EU residents)
 - Flat rate of 24%. (non EU residents)

INHERITANCE & GIFT TAX

- Individuals will be subject to tax when transmitting or gifting assets.
- Tax residents can be taxed on their worldwide assets.
- Non-residents only on their Spanish assets.
- Reductions based on the degree of Kindship.

| Amount | Percent (%) |
|--------------------|-------------|
| 0 up to 7,993.46 € | 7.65 |
| Up to 15,980.91 € | 8.50 |
| Up to 23,968.36 € | 9.35 |
| Up to 31,955.81 € | 10.20 |
| Up to 39,943.26 € | 11.05 |
| Up to 47,930.72 € | 11.90 |
| Up to 55,918.17 € | 12.75 |
| Up to 63,905.62 € | 13.60 |
| Up to 71,893.07 € | 14.45 |
| Up to 79,880.52 € | 15.30 |
| Up to 119,757.67 € | 16.15 |
| Up to 159,634.83 € | 18.70 |
| Up to 239,389.13 € | 21.25 |
| Up to 397,55.08 € | 25.50 |
| Up to 797,555.08 € | 29.75 |
| Above | 34.00 |

CORPORATE TAX

- The current tax rate is 25%.
- Newly formed companies pay 15% the first 2 years.
- This tax goes from January to December.
- It is paid July 25th of the following year.

SPECIAL TAX REGIME FOR HOLDING COMPANIES

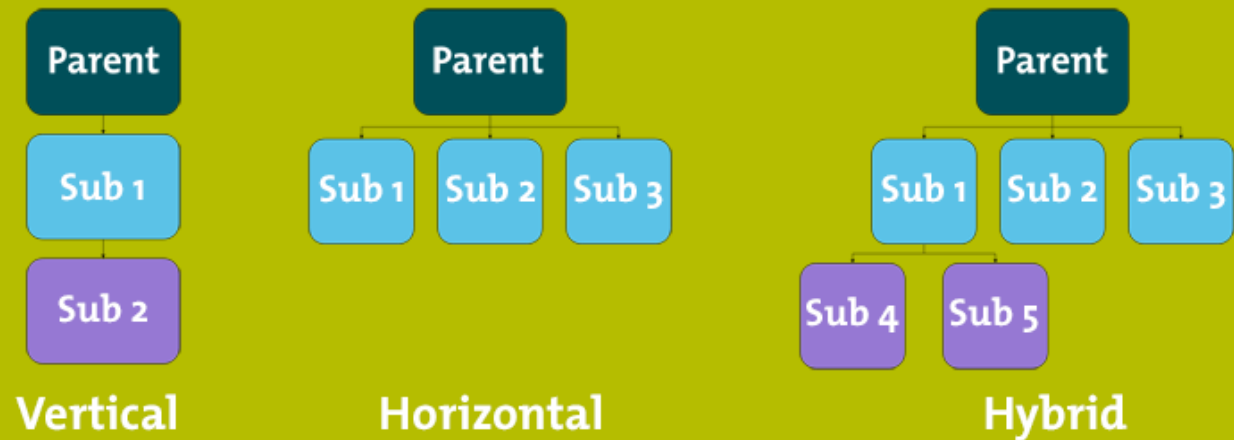
1. DIVIDENDS

- 100% exemption until 2020.
- 95% exemption from 2021.

2. HOLDING STRUCTURES

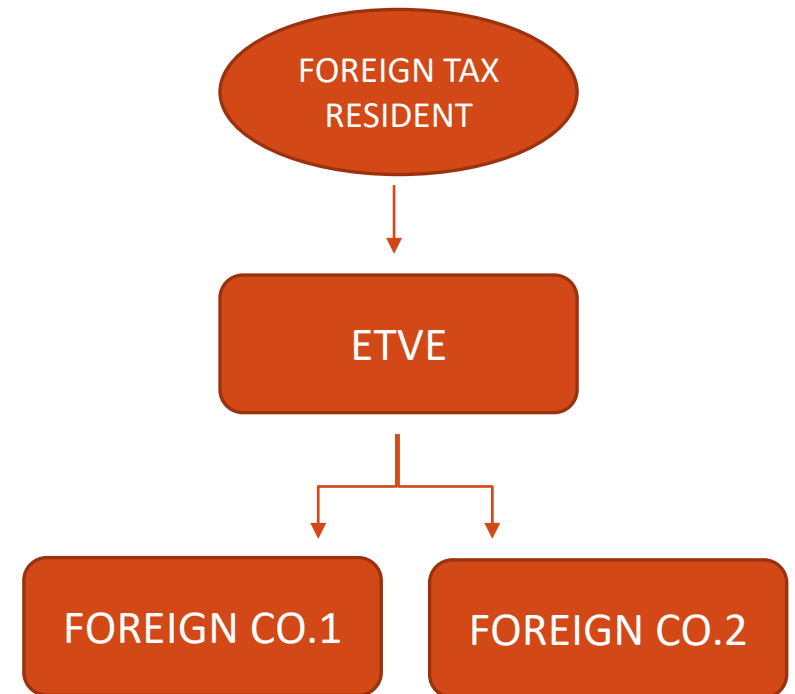
- Vertical structures.
- Horizontal structures.
- Hybrid structures.

Types of group structures



ETVEs

- Spanish Holding company.
- Dividends received from a non tax resident company, 95% exemption.
- No withholding/Shareholder non Spanish tax resident.
- Benefits from DTTs.



SPECIAL TAX REGIME FOR FOREIGNERS WORKING IN SPAIN

1. Beckham Law: enables foreigners who move to the Spanish territory to pay a flat fee of 24% only on the incomes they obtain in Spain instead of a progressive tax on their worldwide incomes (19-45%).
 - Flat rate of 24% up to the amount of €600,000.
 - 45% over €600,000.
 - First 6 years in the country.
2. Main requirements:
 - The expatriate can't have been a resident in Spain during the past 10 years.
 - The foreigner must have a job contract and signed by a Spanish company.
 - Directors, cannot possess more than 24% of the company.
 - The core of the workers' professional activities must be in Spain.

QUESTIONS?

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