

Resident individuals

Personal allowance to be applied :

~ For joint declaration	8.551€
~ For separate declaration	5.151€

Child allowance

~ For the 1 st	1.836€
~ For the 2 nd	2.040€
~ For the 3 rd	3.672€
~ For the 4th and rest	4.182€

Income Tax on financial products and CGT

Taxable base	Rate applicable
Up to 6.000,00 €	21%
From 6.000,001€ to 24.000,00€	25%
From 24.000,01€ onwards	27%

Income Tax in Andalucía (Pensions, rental, business activities)

The top rate for Spanish resident income tax has suffered an increase. This depends on the region where the Spanish resident is permanently living. For example, Andalusian income tax top rate has been increased from 48% to 55%.

Taxable Base	Tax Due	Remaining Taxable Base	Rate Applicable
Up to Euros	Euros	Up to Euros	%
0	0	17.707,20	24,75%
17.707,20	4.382,53	15.300,00	30%
33.007,20	8.972,53	20.400,00	40%
53.407,20	17.132,52	26.592,80	47%
80.000,00	29.631,14	20.000,00	48%
100.000,00	39.231,14	20.000,00	49%
120.000,00	49.031,23	55.000,00	52%
175.000,00	77.631,23	125.000,00	54%
300.000,00	145.131,20	onwards	55%

Property Transfer Tax in Andalucía - Property

Taxable Base	Tax Due	Remaining Taxable Base	Rate Applicable
Up to Euros	Euros	Up to Euros	%
0	0	400.000,00	8%
400.000,01	32.000,00	300.000,00	9%
700.000,01	59.000,00	onwards	10%

Property Transfer Tax in Andalucía - Garages

Taxable Base	Tax Due	Remaining Taxable Base	Rate
Up to Euros	Euros	Up to Euros	%
0	0	30.000,00	8%
30.000,01	2.400,00	20.000,00	9%
50.000,01	4.200,00	onwards	10%

Inheritance Tax Rates for Andalucía

Taxable Base	Tax Due	Remaining Taxable Base	Rate
Up to Euros	Euros	Up to Euros	%
0	0	7.993,46	7,65%
7.993,46	611,50	7.987,45	8,50%
15.980,91	1.290,43	7.987,45	9,35%
23.968,36	2.037,26	7.987,45	10,20%
31.955,81	2.851,98	7.987,45	11,05%
39.943,26	3.734,59	7.987,46	11,90%
47.930,72	4.685,10	7.987,45	12,75%
55.918,17	5.703,50	7.987,45	13,60%
63.905,62	6.789,79	7.987,45	14,45%
71.893,07	7.943,98	7.987,45	15,30%
79.880,52	9.166,06	39.877,15	16,15%
119.757,67	15.606,22	39.877,16	18,70%
159.634,83	23.063,25	79.754,30	21,25%
239.389,13	40.011,04	159.388,41	25,50%
398.777,54	80.655,08	398.777,54	31,75%
797.555,08	207.266,95	Onwards	36,50 %

Spanish Company tax

The general tax rate applicable to companies is 30%.

For small companies (turnover under 10.000.000€) the tax rate is 25% up to 300.000€ of profits, the excess over this amount will be taxed at 30%.

There is a reduction from 20% - 25% if certain requirements are fulfilled.

Tax on dividends

Dividend income and interest received by non-resident (companies or individuals) are taxed at 21%, unless the tax payer is resident in a Double Taxation Treaty Country (DTTC) or the European Directive 90/435/CEE can be applied.

Non resident individuals with property investments in Spain

- ~ Capital gains is taxed at 21%.
- ~ 3% Withholding taxes on the sale of property. NOTE: This is a payment on account of CGT.
- ~ Accelerated Capital Allowances of 11,11% p.a. for properties acquired prior to 1994, will continue to apply only for the period to 20.01.06.
- ~ Rental income will be taxed at 24,75% on the profit obtained.
- ~ Deemed income on property utilised privately by the individuals, is taxable also at 24,75% and assessed at 2% or 1, 1% of the rateable value (Valor Catastral) depending on the municipality. This tax will have to be submitted on a self-assessment basis and becomes payable by the 31st December after the end of the tax year in question.

Non Resident Wealth Tax

Non Residents are liable to Wealth Tax if their assets located in Spain are higher than 700.000,00€ for each tax payer.

Non Residents must appoint a fiscal representative in Spain.

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