

## Resident individuals

### Personal allowance to be applied :

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

### Child allowance

~ For the 1 <sup>st</sup>	1.836€
~ For the 2 <sup>nd</sup>	2.040€
~ For the 3 <sup>rd</sup>	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 €	19%
From 6.000,001 € onwards	21%

## 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 43% to 48%.

Property transfer tax for Andalucía Region is 7%. This is increased to 8% if the property value is over 400.000€ and for garages if its value is over 30.000€

## Inheritance Tax Rates

Taxable Base	Tax Due	Remaining Taxable Base	Rate Applicable
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	7.987,45	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	29,74%
797.555,08	199.291,40	Onwards	34,00 %

## Non resident individuals with property investments in Spain

- ~ Capital gains is taxed at 19%.
- ~ 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% on the profit obtained.
- ~ Deemed income on property utilised privately by individuals, is taxable also at 24% 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 31<sup>st</sup> December after the end of the tax year in question.

Please be informed that all the information shown is for guidance purposes only.

For further clarifications, please do not hesitate to contact us and we shall be delighted to advise you.

## Spanish Company tax

The general tax rate applicable to companies is 30%.

For small companies (turnover under 8.000.000€) the tax rate is 25% up to 120.202,41€ 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 19%, unless the tax payer is resident in a Double Taxation Treaty Country (DTTC) or the European Directive 90/435/CEE can be applied.

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