Main taxes in Catalonia

KIT 8.1

Advice & Information Tools
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**Direct taxes**

**Personal Income Tax (IRPF)**
- **Tax event**: Income obtained from the following:
  - Income from employment.
  - Investment income from property.
  - Investment income other than from property and dividends, interest and returns of insurance contracts.
  - Income from business activities.
  - Capital gains and losses.
  - Other revenue.
- **Taxpayer**: Individuals with tax residence in Spain.
- **Tax rates**: A minimum of 21.5% and a maximum of 48% is levied on taxpayers' income based on their earnings. Savings income is taxed at a rate of up to 23% for any amounts above 50,000 (19% for the first 6,000 euros, 21% for up to 50,000 euros and 23% for any amounts above that).

**Income Tax for Non-Residents (IRNR)**
- **Tax event**: Income obtained in Spain by non-residents.
- **Taxpayer**: Non-resident legal entities and individuals.
- **Tax rate**: 24% for dividends, interest and capital gains. Rates may be reduced if provided for in agreements for avoiding double taxation.
- **Special system for employees relocated to Spain (“inpatriates”):** this special system allows taxpayers who are residents to be taxed temporarily as non-residents. A flat rate of 24% up to €600,000 (applicable in the tax period of change of residency and for the following five ones) and 45% onwards.
Direct taxes

**Corporate Tax (IS)**
- **Tax event**: Income obtained from any of the following:
  - Net income (gains or losses) derived from a business activity.
  - Income from interest and rights in a company's assets.
  - Capital gains and losses.
- **Taxpayer**: Individuals and other entities with tax residence in Spain.
- **Tax rate**: 25% in general (as from 2016).

**Wealth Tax (IP)**
- **Tax event**: Ownership of economic interests and rights.
- **Taxpayer**: Individual residents and non-residents. (Non-residents in the case of Spanish interests and rights only.)
- **Tax rate**: A tax scale ranging from 0.21% to 2.75% for Spanish residents (0.2% to 2.75% for non-residents) is applied on any assets in excess of 500,000 euros (700,000 for non-residents).

**Tax on Inheritance and Donations (ISD)**
- **Tax event**: Acquisition of mortis causa interests and rights and inter vivos transfers.
- **Taxpayer**: Individuals who are successors in title, donors or beneficiaries, whether residents or non-residents.
- **Tax rate**: The general rate ranges from 7% to 32%, to which reductions and multiplying ratios are subsequently applied in the case of kinship and specific allowances in Spain's autonomous communities. In Catalonia, there is an allowance of 99% on inheritance tax in the case of the death for the spouse. The rest of direct family members (descendants and ascendants) have certain bonifications but not so high.
Direct taxes

**DIRECT TAXES**

**Tax on non-productive assets held by companies (Impost sobre els actius no productius de les persones juridiques)**

- **Tax event** ➔ Ownership of certain assets (real estate, automobiles with engines in excess of 200 horsepower, leisure boats, aeroplanes, art objects, antiques and jewellery), located in Catalonia and deemed not be used for business purposes.
- **Taxpayer** ➔ Entities with legal personality and entities without legal personality but constituting a taxable business unit or a separate set of assets (e.g. civil law companies with commercial purposes).
- **Tax rate** ➔ A tax scale ranging from 0.21 % to 2.75 % is applied.
Indirect taxes

**Value Added Tax (VAT)**
- **Tax event** VAT is charged on goods and services delivered in return for a payment in cash or in kind, as a result of carrying on business or professional activities, as well as on intra-EU purchases and goods imported.
- **Taxpayer** Individuals and legal entities that have the status of sole trader or sole practitioner and who carry out a business or professional activity.
- **Tax rate** 4%, 10% or 21% depending on the goods delivered or the service provided.

**Capital Transfer Tax and Stamp Duty (ITP-AJD)**
- **Tax event** This tax is levied on the following transactions:
  - Capital transfers for consideration. In case the transferor is not considered a business person
  - Company transactions.
  - Legal acts certified by means of notarial documents (execution of a notarial deed) or drafts (bills of exchange, etc.).
- **Taxpayer** Legal entities and individuals.
- **Tax rate** Transfer of property: 10% for real estate and 4% for personal property. Company transactions: 1%. 1.5% for documents subject to stamp duty and 1.8% for documents in which the VAT exemption is waived.
Indirect taxes

**Special Taxes (IIEE)**

- **Tax event** Applies to certain categories of assets: Manufactured domestic goods, beer, wine, alcohol beverages, hydrocarbons, tobacco, certain means of transport, electricity, certain imports and EU trade and bonded warehouses.

- **Taxpayer** Owners of factories or warehouses. Importers and purchasers. Sales reps. Depending on the tax the Taxpayer may change.

- **Tax rate** Rates will vary depending on the tax event. Furthermore, depending on the product type the Tax rate may change (gasoil and gasoline do not have the same Tax rate).

**Import Duties**

- **Tax event** Imports, storage, deposits and sales of goods at customs.
- **Taxpayer** Legal entities and individuals that operate at customs.
- **Tax rate** Rates will vary depending on the nature of the goods declared at customs. The rates could vary between maximal and minimal Tax rates depending on the kind of product.
Indirect taxes

Tax on packaged sugary drinks (Impost sobre begudes ensucrades envasades)

- **Tax event** → The tax applies to sugary drinks that contain added caloric sweeteners (among others, sugar, honey, fructose, sucrose, corn syrup, maple syrup, agave nectar and rice syrup).
- **Tax payer** → Legal entities or individuals providing the sugary drink to the end consumer. Note that the taxpayer is obliged to pass the levy on to such consumer.
- **Tax rate** → Two tax rates have been set in relation to sugar content:
  - For drinks containing more than 8 grams of sugar per 100 ml: €0.12/litre.
  - For drinks containing between 5 and 8 grams of sugar per 100 ml: €0.08/litre.

Tax on tourist stays (Impost sobre les estades en establiments turístics)

- **Tax event** → The tax is levied on individuals who enjoy accommodation services per day or fraction of a day, with or without overnight stays, in establishments and facilities.
- **Taxpayer** → Individuals receiving such accommodation service.
- **Tax rate** → Rates will vary depending on the accommodation service (the law distinguishes between 5 star hotels, 4 star hotels, boats, etc.) and the location of such accommodation (in Barcelona or outside Barcelona).
## Local taxes

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<th>Local taxes</th>
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<tbody>
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<td><strong>Property Tax (IBI)</strong></td>
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<tr>
<td><strong>Tax event</strong></td>
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<tr>
<td>Ownership of rural and urban property. Real rights of usufruct and surface right on property. Administrative concession for goods and services of public interest.</td>
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<tr>
<td><strong>Taxpayer</strong></td>
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<tr>
<td>Individuals and legal or other entities including joint ownerships.</td>
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<td><strong>Tax rate</strong></td>
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<tr>
<td>0.4–1.1% of the cadastral value of urban property (the tax rate is set individually by each city council). 0.3–0.9% of the cadastral value of rural property (the tax rate is set individually by each city council).</td>
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| **Business Tax (IAE)**                          |
| **Tax event**                                   |
| The carrying on of business activities (i.e. business, professional or artistic activities) in Spain, regardless of whether or not they are carried out on dedicated premises. |
| **Taxpayer**                                    |
| Individuals and legal or other entities including joint ownerships. |
| **Tax rate**                                    |
| Those individuals or entities whose turnover is below €1 million are not liable to IAE tax. The tax liability is obtained by applying the corresponding weighting coefficient to the rate, according to the turnover and the situation coefficient. A provincial surcharge may also be payable. |

| **Tax on Motor Vehicles (IVTM)**                |
| **Tax event**                                   |
| Ownership of a registered motor vehicle.        |
| **Taxpayer**                                    |
| Legal entities and individuals.                 |
| **Tax rate**                                    |
| Tax rates vary depending on the power and category of vehicles. |

| **Tax on Increase in the Value of Urban Property (IIVTNU)** |
| **Tax event**                               |
| Increase in the value of urban property.      |
| **Taxpayer**                                 |
| Legal entities and individuals that sell a property or receive one as a gift or inheritance. |
| **Tax rate**                                 |
| A coefficient of up to 60% is applied to the cadastral value, depending on the age of the building. Tax is levied on this amount, at a rate of up to 30%. |

| **Tax on Construction, Installation and Building Work (ICIO)** |
| **Tax event**                           |
| Any construction, installation or building work requiring planning permission. |
| **Taxpayer**                            |
| Legal entities and individuals, whether or not they own the building in which the work is being carried out |
| **Tax rate**                            |
| Up to 4% charged on the actual cost of the construction, installation or building work. |
The above information is provided solely for information purposes and does not serve as a substitute for any legal advice. Therefore, we suggest that you seek professional advice prior to taking any decisions related to said information.