



Summary of tax obligations

Individuals

Fiscal year 2022

The information of this document is a summary in nature and should only be used as an orientation guidance. This document does not imply an advice or a deep analysis and cannot be considered as a professional judgment. Any specific issue must be revised by a professional advisor.

Although small differences regarding the Personal Income and Net Wealth tax may happen depending on the region of residence, the above regulations are applicable to the entire Spanish territory except for Basque Country and Navarra. For tax advice in the Basque country and Navara, please do not hesitate to contact us.

For any additional information please contact us at info@albeatax.com.

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Personal Income Tax- Resident in Spain

Individuals who, under the Spanish internal tax law, should be considered as tax residents in Spain are subject to taxation on their **worldwide income**. That is, they are subject to tax in respect of all the income generated in the tax period, regardless of where it is generated or paid.

The calculation of the Personal Income Tax will depend on the amount of the general taxable and saving taxable base. These bases are subject to the following progressive rates:

- General taxable base:

Taxable base (up to)	Tax on lower limit	Remaining taxable base	Tax rate
0,00 €	0	12.450 €	19,00%
12.450 €	2.365,50 €	7.750 €	24,00%
20.200 €	4.225,50 €	15.000 €	30,00 %
35.200 €	8.725,50 €	24.800 €	37,00%
60.000 €	17.901,50€	240.000 €	45,00%
300.000 €	125.901,50€	onwards	47,00%

(*) Personal Income Tax is, in part, regulated by each Autonomous Region in Spain and the above rates may vary depending on each Autonomics' regulation.

- Saving taxable base:

Taxable base (up to)	Tax liability on lower limit	Remaining taxable base	Tax rate
0,00 €	0	6.000 €	19,00%
6.000 €	1.140 €	44.000 €	21,00%
50.000 €	10.380	150.000 €	23,00%
200.000 €	44.880 €	Onwards	26,00%

The tax year is the calendar year and, in general terms, the personal tax is accrued on December, 31st of each year.

Personal Income Tax Return must be filed through **Form 100**. The deadline for filing is between **April and June** of the year following the year of assessment.

Special Tax Regime (Beckham Law)

Individuals that will become tax resident of Spain may opt for the Special Tax Regime (Ley Beckham).

The application of this Regime is subject to the fulfilment of the following requirements:

1. Not having been tax resident of Spain for the last 10 tax years prior the year of arrival.
2. The movement to Spain must be either:
 - a) As a consequence of a local contract with a Spanish employer (or an international assignment to Spain).
 - b) As a consequence of the acquisition of Administrator of a Company where the individual has no participation or 25% as the highest.
3. The individual cannot obtain income that could be considered as derived through a Permanent Establishment in Spain.

Those **taxpayers who have opted for the Special Tax Regime**, will be subject to taxation in respect of their worldwide employment income generated upon the arrival in Spain, and in respect of other possible income they can obtain within the Spanish Territory. The tax rate applicable will be the 24% for income up to Euro 600.000 and 47% for income exceeding Euro 600.000.

The tax return will be filed through **Form 151**, between **April and June of the year following the year of assessment**.

Personal Income Tax-Non-Resident in Spain

Individuals who are considered as non-tax resident of Spain, are subject to taxation in respect of their Spanish source income (i.e. **income generated within Spain**).

Non resident individuals must file a personal income tax return (**Form 210**) in respect of each type of income they may obtain and **different deadlines** will apply, as follows:

- [Tax returns showing a tax payment](#)
 1. In general terms, the deadline for filing is **by the 20th of April, July, October, and January**, in relation to the income occurred in the previous calendar quarter.
 2. Income derived from urban properties (excluding primary residence) not rented out. The deadline for filing is from **January 1st to December 31st** of the year following the year of assessment.
 3. Sale of properties located in Spain. The deadline for filing is **four months from the date of sale**, no matter that the return shows a payment or a refund.

- [Tax returns showing a tax refund.](#)

Except for returns corresponding to the sale of a property located in Spain, the deadline for filing will be during four

years from the date of assessment. It is mandatory a certificate of residence in the corresponding country.

Tax rates for individuals who are non-tax resident of Spain are the following:

- General: 24%
- Saving income and capital gains: 19%

Notwithstanding, different rates may apply for UE/EEA citizens or in case of International Tax Treaties.

Net Wealth Tax

Individuals who are tax resident of Spain will be subject to the Net Wealth Tax in respect of their **worldwide net worth (personal obligation)**, regardless of where it is located.

Non-tax residents in Spain, but residents of an EU or EEA Member State, may choose to pay personal obligation.

Non-tax residents in Spain, unless they choose according to the preceding paragraph, as well as taxpayers under the **Special Regime**, will be taxed in respect of their **worth located in Spain** (that is, on the assets that are located, could be exercised, or had to be fulfilled in Spanish territory applying state law).

As a general rule, there is a **reduction from the Taxable Base** that will differ depending on each Autonomous Region. If no specific reduction has been approved, the reduction will amount to 700.000 euros.

The reduced taxable base will be subject to the **progressive rates** approved by the

corresponding Autonomous Region. If no regional regulation has been approved, the following progressive rates will apply:

Taxable Base (up to)	Tax liability on lower limit	Remaining taxable base	Tax rate
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	3,5%

The Net Wealth Tax Return must be filed in the following scenarios:

- The tax return shows a tax payment.
- If there is no tax payment but the net value of the worth amounts to 2.000.000 euros.

The return is filed through **Form 714** and the deadline for filing is from April to June of the year following the year of assessment. Electronic filing is mandatory for this tax return.

Reporting obligation - Form 720

Resident taxpayers who have assets located outside of Spain may be subject to a reporting obligation (Form 720).

For the purpose of this reporting obligation, the return is divided into three different groups of information: (i) Bank Accounts (ii) Investments and (iii) Properties.

As a general rule, and individual is subject to this reporting obligation in the following situations:

- When the value at December 31st, of any of the three groups is more than 50.000 euros.
- When the cancellation of a previously reported assets occurs.
- When there is an increase in the value of a previously reported group of assets equal to 20,000 euros or more, or if any of the groups not reported in previous years reaches the 50,000 euros threshold.

Among others, the following will be required to file this return:

- Individuals who are considered as tax resident in Spanish territory, unless they have been granted with the Special Regime.
- Communities of assets and inheritances.
- Real owners of the assets at any time of the year to which the declaration refers.
- The holders, representatives, authorized, or beneficiaries of financial accounts located abroad, or
- Those who have had disposition powers over them, or who have been real holders, at any time of the year to which the declaration refers.

This return is informative and no payment will arise at the time of filing.

However, the penalty regime for not filing or late filing is very strict and may lead significant sanctions.

In addition to the possible penalties for the not filing or late filing, all those assets and rights that the taxpayer is required to report, which are informed late, may be included as an unjustified capital gain for Personal Income tax purposes (subject to progressive tax rates).

The deadline for submission is from January 1 to March 31 following the end of the corresponding year. Electronic filing is mandatory for this tax return.

National Spanish Bank (ETE) and other informative Forms before the Spanish Authorities

The ETE FORM (Survey of Transactions with Foreign Countries) is an informative return to be filed before the Bank of Spain.

Individuals and legal entities residents in Spain that carry out operations/transactions with non-residents, or maintain assets abroad for a value greater than 1,000,000 euros are required to submit this form.

It is necessary to inform about the values and variations of the value of assets, as well as the operations with non-residents regardless of their nature and regardless of how the operations take place.

Annual submission will be required and must be done no later than January 20 following the year of assessment, provided that the amount of the transactions during the immediately preceding year or the values of assets and liabilities at December 31st, were less than 100,000,000 euros. If this is not the case, the submission deadlines may vary and have a higher recurrence.

Finally, there is an obligation for Spanish residents when there are foreign partners or investments abroad, or also for holders of shares in foreign companies or branches, as well as for Spanish companies, in whose

shareholders a foreigner participates and makes some foreign investment in Spain.

Such situations lead to the obligation to file forms D4, D6, D8, D5A, D5B, D1, etc. to the General Directorate of Trade and Investments.

The deadlines vary depending on the form that needs to be completed.

About albea, Tax & Global Mobility

albea is a Spanish **tax advisory firm specialized on the taxation of individuals**. We have a **joint experience of more than 40 years** in Big Four companies and specialized law firms. Our professional career has been **focused on the advice of global mobility for multinational companies and its employees**.

We provide services focusing on **the following Tax Services**:

- **Individuals in International Mobility** who may have international implications, due to different tax residence scenarios, or due to the application of special tax regimes different to the general Spanish personal income tax.
- Individuals who may require a **personalized and a high-quality tax service**.
- Individuals who may have **assets and/or investments outside of Spain** but also to those who have high investments or a variety of assets in Spain.
- Companies and individuals who may require advice related to the **different matters** that could affect the **International Mobility** (i.e. international social security, compensation, taxes, etc.).
- **Companies** in relation to the different matters that can affect the **taxation of its employees**.

Our main commitment is to **ensure the quality of the service**, offering a more **personalized treatment** than larger organizations and **guaranteeing the fulfilment of our clients obligations**.

We are aware of the important benefits of international mobility, but our experience is that **many of the companies and employees who start an international project do not have the proper and correct advice**.

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