



EU countries have signed fiscal agreements especially aimed at avoiding double taxation. These agreements enable the determination of a person's residence for tax purposes when the legislation of the emigrant's origin and destination country mean that the individual in question is considered as resident in both countries. As a "tax resident" in an EU country, a person's entire income (universal income) must be taxed in that country, when the income can be considered as taxable in the other country as well.

In the Spanish tax system, there are two main types of taxes:

-Direct or personal taxes: levied on assets or income obtained. This category includes: Personal Income Tax, Company Tax, Gift Tax and Capital Levies.

-Indirect or trade taxes: this covers all taxes levied on the circulation or transfer of wealth and the different modes of consumption or spent income. For example: VAT, Wealth Transfer Tax and Stamp Duty and special taxes.

National, regional and local taxes:

The State controls the management, payment, collection, inspection and revision of the following taxes:

- Personal Income Tax: partially granted to Autonomous Regions; Company Tax; Value Added Tax (IVA); special taxes.

The following taxes are controlled by the Autonomous Regions:

- Capital Levies, Inheritance and Gift Tax, Wealth Transfer Tax and Stamp Duty, and Gambling Taxes.

The most common local taxes are:

- Property Tax, Business Tax, Municipal Vehicle and Registration Tax; Public Fees and Prices.

State Taxes

Impuesto sobre la Renta de las Personas Físicas (Personal Income Tax)

Personal income tax is a direct, personal, subjective tax, levied on the total amount of an individual's net income and capital gains. This tax is applied to the tax-payer's economic capacity.

Impuesto sobre Sociedades (Company Tax)

This is a direct and personal tax levied on the income of companies and other legal entities not subject to personal income tax, as well as non-legal entities. It is applied to company profits.

The tax event is the receipt of income and taxpayers include corporations and partnerships, temporary unions of companies and different types of investment and pension funds, etc.

Impuesto sobre el Valor Añadido (Value Added Tax: VAT)

This is an indirect tax levied on consumption and the sale of goods and services by companies or professionals, and acquisitions of goods and imports between EU countries. VAT is borne by the end consumer and not by the companies and professionals, who, in general, charge VAT to their customers and deduct the VAT charged by their suppliers.

Autonomous Region Taxes

Impuesto sobre el Patrimonio (Capital Levy)

A personal and periodic tax levied on an individual's net capital. The tax event consists of the ownership of economic goods and rights (thus excluding personal or family rights); charges and levies that reduce its value and any personal debts and obligations for which the taxpayer is responsible are deducted. This levy is progressive, meaning the rate of taxation increases with the taxable base.

Impuesto sobre Sucesiones y Donaciones (Inheritance and Gift Tax (IGT))

This is a direct and subjective tax levied on capital gains obtained by individuals through inheritance, legacy or gifts and also on amounts received by beneficiaries of life insurance contracts, when the contractee is different from the beneficiary.

Impuesto sobre Transmisiones Patrimoniales y Actos Jurídicos Documentados (Wealth Transfer Tax and Stamp Duty)

This covers three taxes: estate tax, which is levied on business trade, thus completing the taxation of commerce applied through VAT; tax on company operations, levied on the most significant forms of business finance resulting from incorporation papers, and in general, any movement of capital linked to said papers; stamp duty, which is levied on the execution of certain notary, business and administrative documents.

Local taxes

Impuesto sobre Bienes Inmuebles (Property Tax)

This tax is levied on the ownership of properties, either rustic or urban. It is calculated on the cadastral value of the property (value of the land and the buildings) and it is payable by the individual or company that owns the property. The rate of taxation depends on the size of the population in the municipality where the property is located.

Impuesto de Actividades Económicas (Business Tax)

This tax is levied on professional or artistic business activities, regardless of whether or not they are carried out on commercial premises or if they are specified in the tax rates. They are applied to the production or distribution of goods or services.

Impuesto sobre Vehículos de Tracción Mecánica o de Circulación (Municipal Vehicle and Registration Tax)

This tax is payable by the owners of vehicles that have a registration number plate, regardless of whether they are suitable to be driven on public roads and for all classes and categories. Municipal councils can modify these rates in accordance with population size.

Tasas y Precios Públicos (Public Fees and Prices)

These are payments made to the Municipal Council for using public services. Public payments include amounts paid for parking, refuse collection, entry to municipal swimming pools, the use of libraries and, in short, any service for which a small percentage of the amount is paid to cover costs.

Contact information

SUMA Gestión Tributaria:

Phone: 965148561 (Monday, Wednesday and Friday from 9am to 12pm)

Web: www.suma.es

Email: consultas@suma.es

Information

- Municipal Councils
- Regional Administrations
- Central Administration. (www.map.es - www.extranjeros.mir.es)
- General Tax Information: 901 33 55 33
- www.gva.es

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