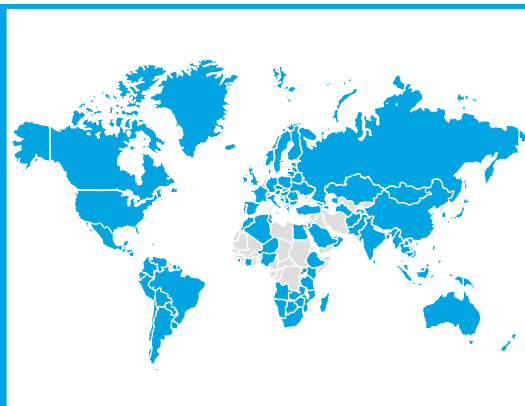


# INPATRIATES

## Spain

### Tax facts for international assignees



#### INCOME TAX: WHO IS LIABLE

Individuals become residents in Spain if any one of the following circumstances apply:

- They have stayed longer than 183 days in Spanish territory over the calendar year;
- They state the main base or center of their activities or economic activities, directly or indirectly, in Spain; or
- They have dependent, not legally separated, spouse and/or underage children who are usually resident in Spain. This last situation accepts evidence to the contrary.

Otherwise, where none of the previous situations apply, an individual is considered as non-resident in Spain.

If you are considered as a resident in Spain (taxed on the worldwide income), you will need to submit Form 100, Spanish Income Tax Return. The deadline for filing is usually 30 June (or next working day) of the following year.

An individual could choose to be taxed separately or jointly with his/her spouse.

Tax residents are taxed at progressive tax rates on a worldwide income: generally (including labor income) from 19% to 45%, amounts vary depending on the Autonomous Region of residence); interest, dividends and capital gains at 19% up to 23%.

If you are considered a non-resident in Spain, you are taxed on Spanish-sourced income. This includes income from salaries for services performed in Spain, holding real estate property in Spain, dividends, royalties, capital gains and similar income.

Individuals that obtain income in Spain (other than through a permanent establishment) will be taxed separately on each total or partial accrual of Spanish-sourced income.

You will need to submit a different Form 210 for each income received, unless on a general basis the withholding matches the final tax. The deadline varies depending on the type of income and the result of the self-assessment tax return, although usually on a quarterly basis (the first twenty calendar days of April, July, October and January for income accrued in the quarter prior to these dates).

The Non-Resident Income Tax is normally levied on the gross income, without deduction for any expenses. However, in the case of taxpayers resident in another member State of the European Union or in a State of the European Economic Area with an effective exchange of information, some expenses shall be deductible in order to determine the taxable base.

The current tax rate (for employment income) is a flat rate of 24% (a 19% for taxpayers resident in other Member State of the EU or of the European Economic Area with which there is effective exchange of tax information).

In addition, Spain has a Special Tax Regime for inpatriates which allows individuals who will become Spanish tax residents to opt to be taxed either under personal income tax rules or under non-resident income tax rules during the tax period in which their tax residence changes and for the next five tax periods. Under the non-resident income tax rules option, except for the employment income, they are only taxed on the income and/or gains that are deemed to have been obtained in Spain, at a fixed rate of 24% (which is increased up to 45% for income of above €600,000).

All the employment income obtained by the individual (in Spain and abroad) during the application of the Special Regime shall be considered as obtained in Spanish territory.

Lastly, Spain has a net wealth tax, inheritance and gift tax and a property value tax.

## INCOME TAX RATES

\*\*Madrid Region, other rates apply in other regions

Taxable base	Tax quote	Excess	Tax rate
-	-	17,707.20	19.00%
12,450.00	2,365.50	5,257.20	23.20%
17,707.20	3,585.17	2,492.80	25.30%
20,200.00	4,215.85	12,807.20	28.30%
33,007.20	7,840.29	2,192.80	32.90%
35,200.00	8,561.72	18,207.20	36.40%
53,407.20	15,189.14	6,592.80	39.50%
60,000.00	17,793.29	Onwards	43.50%

## SOCIAL TAX RATES

Contingencies	Employer %	Employee %	Total %
Ordinary	23.60%	4.70%	28.30%
General unemployment	5.50%	1.55%	7.05%
FOGASA	0.20%	0.00%	0.20%
Prof. training	0.60%	0.10%	0.70%
Total	29.90%	6.35%	36.25%

Please note that social security system in Spain is capped. Its maximum base, for current amounts to 45,014.40 euros (annual basis) / 3,741.20 euros (monthly basis). In this sense, please note that over such base there are no additional contributions. There is also a minimum base. The below rates might suffer slight differences depending on the Collective Agreement Applicable.

## REGISTRATIONS/FORMALITIES

When the individual arrives in Spain he/she will have to inform the Authority to obtain a NIE-number (foreign identity number).

The individual will also need to inform the Tax Authorities to get into the Census taxpayers and submit a Form 030.

Any person resident in Spain must be registered in the census of the town consider as the usually resident.

For further information and to register for future updates contact [expat@bdo.global](mailto:expat@bdo.global)

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