

Taxpayer of VAT:

Taxable Event	Origin	Destination	Taxpayer
Supply / Acquisitions of Goods within the EU	Trader	Trader	Trader in origin
		Non established Trader	Non established Trader in destination (with exceptions)
		Non Trader	Trader in origin
	Non established Trader	Trader	Trader in destination (with exceptions)
		Non established Trader	Non established Trader in destination (with exceptions)
		Non Trader	Non established Trader in origin
Services Supply	Trader	Trader	Trader in origin
		Non established Trader	Non established trader in destination (with exceptions)
		Non Trader	Trader in origin
	Non established Trader	Trader	Non established Trader in destination (with exceptions)
		Non established Trader	Non established Trader in destination (with exceptions)
		Non Trader	Non established Trader in destination (with exceptions)

(8) See Real Estate Transactions Section.

TRANSFER TAX & STAMP DUTY⁽⁹⁾
Tax Rates:

· Transfer Tax (TT)	· Real Estate Assets: 7%	· Financial and other Assets: 4%	· Certain rights on Real Estate: 1%
· Corporate Transactions (CT): 1%			
· Stamp Duty (SD) on Legal Documents	· Variable	Notarial Documents (ND) 1%	Merc. and admin. documents: Scale
		Preventive Notes: 0.50%	
		· Fixed: 0.15€ per sheet/	0.30€ per stamp

Compatibilities:

TT TT	Compatible with Incompatible with	SD- Fee Fixed CT, SD-Fee Variable, VAT, IGT ⁽¹⁰⁾
CT CT	Compatible with Incompatible with	SD-Fee Fixed, VAT TT, SD-Fee Variable, IGT
SD - Fee Variable SD - Fee Variable	Compatible with Incompatible with	VAT, SD-Fee Fixed TT, CT, IGT,
SD- Fee Fixed	Compatible with	TT, CT, VAT, IGT, SD-Fee Fixed

(9) See Real Estate Transactions section.

(10) Inheritance and Gift Tax.

REAL ESTATE TRANSACTIONS

Transaction	VAT	%	TT & SD	%
Buildings (Housing)				
a) Buildings under construction.....	Taxable	16	SD-ND	1
b) Finished Buildings				
-First transfer.....	Taxable	7	SD-ND	1
Except when used for more than 2 years by:	Tax Exempt:			
1) the developer	-Waived	7	SD-ND	1 ⁽¹¹⁾
2) lessee, tenant or room tenant and transfer to 3rd parties	-Not waived	-	TT	7
-Second and subsequent transfers.....	Tax Exempt:			
	-Waived	7	SD-ND	1 ⁽¹¹⁾
	-Not waived	-	TT	7
Exceptions:				
1) Taking the option to buy.....	Taxable	7	SD-ND	1
2) Building renovation.....	Taxable	7	SD-ND	1
3) Building demolition.....	Taxable	16	SD-ND	1
4) After solving the first handing over..	Taxable	7	SD-ND	1
Land				
a) Building land.....	Taxable	16	SD-ND	1
Exception: Compensation board.....	Tax Exempt:			
	-Waived	16	SD-ND	1 ⁽¹¹⁾
	-Not waived	-	TT	7
b) Green belt.....	Tax Exempt:			
	-Waived	16	SD-ND	1 ⁽¹¹⁾
	-Not waived	-	TT	7
Values				
General.....	Tax Exempt	-	Tax Exempt	-
Exceptions:				
1) Personal Assets > 50% of the assets + taking control of the company.	Tax Exempt	-	TT	7
2) Shares or Capital Shares received through investments on personal assets transferred before the end of a year.	Tax Exempt	-	TT	7
Leasings				
Buildings				
a) General.....	Taxable	16	AJD-DN	1
b) Houses (including garages).....	Tax - Exempt	-	TPO	Table
Exception:				
1) With Hotel Services.....	Taxable	7	AJD-DN	1
2) With option to buy.....	Taxable	7	AJD-DN	1
Land⁽¹²⁾				
	Tax - Exempt	-	TPO	Table

(11) In Andalusia, 2%. In Madrid, 1,5%.

(12) With exceptions.

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INCOME TAX

Tax deductible Per Diem and Mileage Allowances:

PER DIEM FOR MEALS (€/day)		HOTEL (€/day)	MILEAGE (€/day)	
Spain	Overnight stay 53.34	Invoiced Amount	Public Transp.	Private Transp.
	Non Overnight stay 26.67		Invoiced Amount	0.19€/km Toll/Parking Invoiced Amount
Abroad	Overnight stay 91.35			
	Non Overnight stay 48.08			

Reductions:

a) Employment Earnings⁽¹⁾

NET EMPLOYMENT EARNINGS	REDUCTION
Up to 9,180€	4,080€ per year
From 9,180.01€ to 13,260€	4,080€ - (Net Employment Earnings - 9,180€) x 0.35
More than 13,260€ or other income different from the employment earnings > 6,500€ (excluding tax free earnings)	2,652€ per year

(1) Increased by 100% $\left\{ \begin{array}{l} \text{Employees > 65 years who continue to work.} \\ \text{Geographical Mobility of unemployed taxpayers (2 years).} \end{array} \right.$

b) Disability: between 3,264€ and 7,242€

Individual & Family Minimum

- Standard: 5,151€
- From 65 years of age: + 918€
- From 75 years of age: + 1,122€
- Dependants: between 1,836€ and 4,182€ plus 2,244€ for each child under 3
- Other dependants: 918€ 65 years old and over; and 1,122€ 75 years old and over
- Disability, dependants: between 2,316€ and 7,038€ plus 2,316€ for attendance.

Scale of the General Net Taxable Base (state + regional)

Net Taxable Base up to (€)	Gross Tax Payable	Remainder of Tax Base up to (€)	Applicable Rate (%)
0.00	0.00	17,707.20	24%
17,707.20	4,249.73	15,300.00	28%
33,007.20	8,533.73	20,400.00	37%
53,407.20	16,081.73	and higher	43%

Tax rate applicable to the special component of the tax base (state + regional)⁽²⁾: 18%

2) Capital Gains and Losses generated by transferring Wealth Tax elements and the performance of certain Personal Assets.

Deductions:

- Permanent Residence: 15% of the amounts (up to 9,015€/year) for the acquisition, refurbishing or home purchase saving accounts.
- Company saving account: 15% of the amounts (up to 9,000€/year).

Obligation to declare:

- Net employment earnings: starting from 22,000€/year of one sole payer.
- Capital Gains + Earnings: starting from 1,600€/year.
- Deduction for company, permanent residence or saving-account.

INCOME TAX FOR NON-RESIDENTS

Tax Rates:

- With Permanent Establishment: 30%.
- Without Permanent Establishment⁽³⁾:
 - Standard: 24%.
 - Pensions and passive assets: between 8% and 40%.
 - Capital Gains: 18%.
 - Interests and Dividends: 18%.

(3) With no Double Taxation Agreement.

INHERITANCE & GIFT TAX

Inheritance:

- Reductions:
 - Personal Reductions:

Group	Kinship with the donor or deceased	Euros (€)
I ⁽⁴⁾	Descendants & adopted < 21 years For each year under 21 Maximum Limit	15,956.87 3,990.72 47,858.59
II ⁽⁴⁾	Descendants & adopted ≥ 21 years Spouses, adopted and dependants	15,956.87
III	Collateral family members in 2 nd & 3 rd degree of kinship. Ascendants and descendants by affinity	7,993.46
IV	Collateral family members in 4 th degree of kinship and other non family heirs.	-

(4) Andalusia: Reduction of variable amount up to the total net taxable base to the groups I and II, with a Taxable Income lower than 125,000€ and a capital lower than 500,000.00€

b) Additional Reductions⁽⁵⁾:

- Family Business⁽⁶⁾: 95% of the value.
- Permanent Residence⁽⁷⁾: 95% of the value with a limit of 122,606.47€
- Inheritance and Gift Taxes paid over the past ten years

(5) The asset must be kept for 10 years. In Andalusia only 5 years.

(6) Andalusia: 99%.

(7) Andalusia: 99.99% if it is the permanent residence of the recipient.

Donations:

- Reductions:
 - Family Business of donors of over 65 years of age, absolute permanent disability or disablement: 95% of the value.
 - The investment must be kept for 10 years and right to exemption from the Net Wealth Tax.

Life Insurance:

- Reductions:
 - 100% with a limit of 9,195.49€ for the recipient spouse, ascendant, descendant, adopting person or adopted.

NET WEALTH TAX

Minimum Exempt Amount: 108,182.18€

Tax Rates:

Net Taxable Base up to (€)	Gross Tax Payable (€)	Remainder of Tax Base up to (€)	Applicable 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	and higher	2.5

Gross Tax Payable Limit

The gross tax payable of the Net Wealth Tax, together with the portion of the tax payable of the Personal Income Tax, can not exceed 60% of the sum of taxable income of Personal Income Tax.

CORPORATION TAX

Tax Rates:

- Standard: 30%.
- Small-sized businesses (Turnover < 8 M.€)
First 120,202.41€: 25%.
Remaining Taxable Income: 30%.

Deductions to promote other activities

Main Deductions	%
Export Activities	9
Company Contributions to Pension Plans	6
Employment for disabled	6,000.00€ per person and year worked
Book Edition	4
Film Production	4/15
Professional Education	3/6
R + D	25/42
Technological Innovation	8/12
Investment on Cultural Interest	12
Environment Protections	6
Reinvestment of Additional profits	12

Tax Losses: compensated in the subsequent 15 years.

Non deductible Expenses:

- Dividends paid.
- Corporation Tax.
- Fines, penalties, and surcharges due to delays on tax payment.
- Donations.
- Provisions for internal pension allowances.
- Gambling losses.
- Expenses for services rendered with tax havens.

VALUE ADDED TAX (VAT)⁽⁸⁾

Tax Rates:

- Standard: 16%.
- Reduced: 7%.
- Super-reduced: 4%.