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NEWS

Tax obligations for non residents

If you are a non resident in Spain and own a property you must file a non resident imputed income tax a return every year . This is obligatory for all non residents with a property in Spain. (The fact that you do no rent out your property , or make any real income from it , does not matter) The tax is obligatory.

You do not have to make any real income from your property to be liable to pay this tax.

The tax authorities consider for this purpose of this tax that your taxable income (even though in reality nonexistent) is 2% of the value of your property. They allow you to use the catastral value of your property if more beneficial to the tax payer (this is always the case as the catastral value is always much lower than the market price). The catastral value can be seen on your rates bill, that you would normally pay via your bank account every year by direct debit around October-November. They also allow that the taxable income to be only 1.1% of the catastral value if the catastral value has been revised recently. They then apply a tax rate of 24% to this amount.

It is important to calculate the taxable base correctly and to make sure that you make available to your accountant your rates bill, as otherwise he would have to use your deed value, which will result in a much higher tax bill. It is important also that you make sure that if you are using the catastral value, that you only apply a 1.1% multiplier to it instead of 2% if the catastral value has been updated recently.

If you have not been paying this tax up to now, it is time to come clean. The tax authorities are sure to become more aggressive about tax collection due to the huge Spanish deficit. By law the tax authorities cannot claim from you more than 4 years of arrears if they have made no attempt to go after you in the past.



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