

The logo for ESCURA, featuring a solid blue square to the left of the word "ESCURA" in a bold, black, serif font. The background of the entire page is a light blue and white network of interconnected lines and dots, with a dotted map of Europe overlaid in the center.

ESCURA

A dark grey rectangular box containing the title text in white, bold, sans-serif font. The box is positioned in the lower half of the page, overlapping the network background and the dotted map.

**TAXATION OF NON-RESIDENTS
ON REAL ESTATE IN SPAIN**

Taxation of non-residents on real estate in Spain

1. Tax residence criteria in Spain.
2. Taxation for non-residents with properties in Spain

■ 1. Tax residence criteria in Spain.

Tax residency is a crucial concept for determining an individual's tax obligations in Spain.

According to the Spanish Personal Income Tax Law, an individual is considered a tax resident in Spain under the following conditions:

- if they spend more than 183 days within a calendar year in Spanish territory;
- if Spain is the center of their economic or business interests, either directly or indirectly;
- or if their family lives in Spain, creating a presumption of residence.

It's important to note that residency is determined on a full-year basis, meaning the evaluation considers the entire calendar year to establish the individual's tax residency status.

In cases where a person is deemed a tax resident in two countries based on their respective internal legislation, resolving the country of residency requires adherence to the double tax treaty between the involved countries.

■ 2. Taxation for non-residents with properties in Spain

2.1. Non-resident taxpayers can obtain income from:

2.1.1. *Renting out the property,*

If a non-resident individual rents out a property in Spain, they must pay non-resident income tax on the rental income. Generally, the declared income is the total amount received from the tenant without deducting expenses, with deductions of the expenses only allowed if the lessor is a tax resident in another EU Member State, Iceland, or Norway.

The applicable tax rate in 2024 is 24%, while for residents of the EU, Iceland, and Norway, the rate is 19%.

The filing deadline varies based on the tax return outcome, with an annual filing deadline from January 1 to January 20 if the return results in a payment.

2.1.2. *presumed income from urban property if the property is used by the owner or is unoccupied,*

Non-residents who own a property in Spain for their own use must pay non-resident income tax on the presumed income, calculated by applying a percentage to the property's cadastral value. The percentages are 1.1% for properties located in municipalities where the cadastral values have been revised within the last ten tax periods and 2% for all other properties.

The applicable tax rate in 2024 is 24%, or 19% for residents of the EU, Iceland, and Norway.

The filing deadline is between January 1 to December 31 of the following year.

2.1.3. *and capital gain from selling the property*

If a non-resident individual sells a property, they must pay income tax on the gain obtained and the tax on the increase in value of urban land (municipal capital gains tax).

Income tax on the gain obtained: The applicable rate in 2024 is 19%, with a filing deadline of three months after the expiry of one month from the date of transfer. The person acquiring the property is obliged to withhold 3% of the sale from the seller within one month of the date of transfer.

The municipal capital gains tax is levied by the municipality where the property is located and taxes the increase in the cadastral value of the land since the last transfer. The filing deadline for this tax is one month from the date of the sale.

In the case of a donation, the donor must declare their capital gain, and the donee must file the donation tax in Spain.

2.2. Wealth tax

Additionally, non-residents are subject to a wealth tax on assets located within Spanish territory, with a minimum exemption of 700,000 euros.

The deadline for filing this wealth tax is June 30 of the year following the tax year in question.

2.3. Property Tax (IBI)

Property owners are also required to pay the Property Tax (IBI) annually, which is calculated based on the cadastral value of the property and varies depending on the municipality where the property is located.



**Please note that this information is a summary and should not be considered as legal advice.*

Contact us

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