



DE COTTA MCKENNA & SANTAFÉ English Lawyers and Spanish Abogados

If you are a non-resident owner of Spanish property then you are obliged to declare the ownership of your property in the tax area where the property is situated.

If you own one property then the amount due to be paid must be lodged with the tax authorities before the 31st December of the year subsequent to the purchase.

If more than one property is owned then this must be lodged before 30th June of each year subsequent to the year of purchase.

The wealth tax and the income tax are personal taxes. If a property belongs to two people, each one has to present a tax declaration separately.

In accordance with Spanish law on taxes for non-residents, all non-residents that have a property in Spain have to pay not only the Wealth Tax but also the Income Tax.

If only one property is owned then this is declared on the same tax form and at the same time. Income Tax is based on the hypothetical rental income that your property would generate and is calculated as a percentage of the catastral value, (value that is stated on the IBI receipt).

This is added to any actual rental income which may exist and is then taxed at 24%. Income tax does not cover the full tax year but just the period of which you have been an owner in any year.

Wealth tax is calculated by applying a percentage of the purchase price declared on the Deed of purchase less any outstanding mortgage on the property. The Wealth Tax is not for a period of time but reflects the property owned at 31st December no matter when the purchase was made. There is no method to set up an automatic payment of Wealth tax, as it cannot be paid by standing order as the taxpayer has the obligation to personally pay the tax by completing the necessary forms. Once completed, they have to be presented to the bank for payment.



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De Cotta McKenna y Santafé can act as your fiscal representative in Spain notifying you annually of the requirement to pay taxes and on receipt of the necessary funds from you, the taxes will be paid and full receipts and fee notes issued. In order to proceed, we will require written confirmation that you wish us to act as your fiscal representative together with a copy of your deed of purchase (escritura), bank statement confirming outstanding mortgage, the latest IBI, (local town hall rate), receipt and copies of your NIEs.

If you would like us to assist you with your non-resident tax return please email or send us the above documents with your full contact details.