

What property taxes are there in Spain?

When you buy your property there is an Impuesto de Transferencia de Propiedad, or transfer tax of 7%

A new property is also subject to IVA (VAT) of 7% and stamp duty of .05%

Spanish yearly property Tax: The Impuesto sobre Bienes Inmuebles is set by the local authority. This tax is paid once a year, and can either be paid in person or directly by your bank. The amount is calculated on the value of your property. The (Valor Catastral) It can vary area to area, and is usually from .05-1% of the value.

Spanish yearly rates: House-owners in Spain are also required to pay yearly rates, which is a contribution to street lighting, maintenance of facilities and rubbish collection. The yearly amount again depends on the area and is paid to the local council, but is usually between 250- 350 euros per year.

One of the papers required by law in any property sale in Spain is proof of payment of the previous year's property tax which must be produced in this case by the vendor.

The vendor should provide details of the taxes paid on the property being sold.

There are also additional taxes such as wealth tax that vary between residents and non residents; we recommend that a Gestor (accountant) is consulted to ascertain what will need to be taken into account. Wealth Tax (Patrimonial).

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Michael and other members of the firm provide independent advice on all matters regarding expatriate financial issues. The areas of specialisation include retaining the confidentiality of finances, through specialised tax planning structures, Portfolio Management, Offshore Strategies, Investment Advice, Trust Arrangements, and Retirement Planning.

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