

Practical Guide to Income Tax 2025. Part 1.



PRACTICAL GUIDE

Part 1.
Without regional deductions



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This publication is for informational purposes only.

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Filing

One of the main objectives of the State Tax Administration Agency is to minimise the compliance costs that citizens must bear in their relations with the Public Treasury.

True to this purpose, and in order to facilitate taxpayers' compliance with their tax obligations, the Tax Agency makes available the 2025 edition of the Practical Manual of Personal Income Tax (IRPF), adapted to the language HTML which has been prepared by the Tax Management Department.

The Manual responds to the intention of disseminating the IRPFABBR through a rigorous, comprehensive and up-to-date view of the tax. To this end, it includes, in addition to the compilation of the applicable administrative and judicial criteria, the explanation and didactic description of the content of IRPFABBR by subjects, topics and concepts, relating each of them to the rules that regulate them, in addition to diagrams and tables that facilitate the understanding of certain technical aspects of the same or a summary of criteria as well as practical cases that are considered useful to clarify those issues that raise doubts or that involve greater complexity. It also contains detailed and comprehensive personal and family minimums, scales, and regional deductions approved by the Autonomous Communities in the exercise of regulatory powers, along with the criteria they provide for their application.

Furthermore, given the volume that the manual has acquired over the years, and with the desire to make the information it contains more accessible, manageable and easier to read or consult, the improvements introduced in previous editions have been maintained.

In particular, the appendix is preserved, which incorporates a chapter index with all the diagrams and explanatory tables included in the Manual, some of which affect several chapters, to facilitate their search and location through their link to the part of the document where they are located.

Furthermore, it continues to structure its content into two distinct parts, implemented for the first time in the 2024 edition: Part 1, which covers the general aspects of the Tax, and Part 2, which lists the specific provisions of the Autonomous Communities, specifically, the autonomous deductions and their applicable regulations. The decision to present the manual in two parts was significantly influenced by the notable increase in regional tax deductions in recent years, which highlighted the need to dedicate a separate volume to their study. Notwithstanding the division made, the content of Part 2 must be put in relation to Part 1, for a complete and coherent view of the applicable regulations.

In any case, and within the framework of the 2025 Income Tax campaign, it constitutes a good opportunity for those who wish to deepen their knowledge of the tax.

Furthermore, its preparation in this digital format HTML seeks to achieve three basic objectives that have been repeatedly demanded by taxpayers.

The first is its web accessibility, that is, ensuring that access to it is possible for the maximum number of people, regardless of their knowledge or personal or physical abilities and regardless of the technical characteristics of the equipment used to access the web.

The second is to simultaneously enable and make available to taxpayers the contents of the Manual in other languages or co-official languages.

The third and final objective is to optimize the use of its content, that is, an effective use of the content of the Manual that avoids the duplication of documents on the Tax Agency website on the same topics, reducing excess storage and the need to update a plurality of comparatively coincident documents.

The advantages provided by the Manual in HTML and the need to avoid discrepancies between the contents of the paper versions (still photo at a specific time) and in HTML of the Manual led to the decision in the 2020 Income Tax campaign to suppress the practical Income Tax Manual in paper and maintain only the version in HTML . A significant factor in this decision was the new functionality incorporated in the HTML version to generate a file in PDF format of the contents of the Manual, also allowing scrolling and navigation through it. This document PDF , both for its visual aesthetics (very similar to that of the paper Manual) and for allowing it to be printed on paper if desired, meets the demand that may be raised by taxpayers accustomed to handling the printed edition.

Furthermore, in response to requests from a significant number of taxpayers who use the application, the regional regulations have been included alongside the state regulations. IRPFABBR of each Autonomous Community through links to the consolidated texts of BOE.

Taxation Management Department

Guide to the main changes in Personal Income Tax in the 2025 fiscal year

The Tax Agency's electronic headquarters incorporates a «[Virtual Assistant for Rent](#)», where you can ask any questions you may have regarding the 2025 Personal Income Tax or the preparation of your tax return.

Tax Management

2025 Income Tax Campaign: Deadlines, draft and self-assessment

Terms

From April 8th to June 30th, 2026.

If payment is made by direct debit, the deadline is June 25, 2026.

Draft statement

- As in the previous campaign, all taxpayers, regardless of the nature of the income they have obtained during the fiscal year (from work, movable or immovable capital, from economic activities, capital gains and losses, as well as income imputations), can obtain the draft of the declaration through the Draft or Declaration Processing Service (Renta WEB), after providing, where applicable, certain information that will be requested for this purpose, or other information that the taxpayer may incorporate.
- The mechanism for obtaining the reference number to access the draft and/or tax data remains in place, through the Tax Agency's electronic office, using the draft or declaration processing service. To do this, you must enter the Tax Identification Number (NIF) of the taxpayer(s), the issue or expiry date of their National Identity Document (DNI), and the amount in the box. **[0505]** from the statement of IRPFABBR corresponding to the 2024 tax year, "General taxable base", unless it is a taxpayer who did not file a tax return in the immediately preceding year, in which case an international Spanish bank account code (IBAN) must be provided in which he appears as the holder as of December 31, 2025.
- As in previous years, you will also be able to access the draft or tax data through the Draft or Declaration Processing Service on the Tax Agency's website. <https://sede.agenciatributaria.gob.es>, using recognized electronic certificates and the Cl@ve Móvil system, and through the mobile application.

Presentation of the declarations of IRPFABBR 2025

- Through the Draft or Declaration Processing Service, the taxpayer can prepare their declaration of IRPFABBR with the Renta WEB product and proceed to its submission electronically via the internet, at the Tax Agency's electronic headquarters, by telephone, at the Tax Agency offices, requesting an appointment, as well as at the offices enabled by the Autonomous Communities, cities with Statute of Autonomy and Local Entities for the confirmation of the draft declaration; If the declaration is to be paid, the taxpayer may direct debit the payment or, failing that, obtain a payment letter at the time of filing that will allow him to pay the resulting amount.
- As in previous campaigns, through the State Tax Administration Agency's Draft or Declaration Processing Service, you can obtain a document for submission to the collaborating entity. You must print it and go to a financial institution to make the payment.

Rent WEB and Model:

- As a result of the introduction of the new reduction applicable to the income from artistic activities obtained in an exceptional manner, with effect from 1 January 2025, by section Four of the Seventh Final Provision of Law 7/2024, of 20 December, new boxes are included to record the aforementioned reduction both in the section on employment income and in the section on income from economic activities under the direct estimation regime.

Furthermore, in the latter, new boxes have been incorporated to facilitate its completion in case of regularization of the contribution of the fees to the Special Regime of Self-Employed Workers or Self-Employed Workers, in accordance with the provisions of article 308 of Royal Legislative Decree 8/2015, of October 30.

- In the section on capital gains and losses, the following modifications have been made:
 - To facilitate the determination of the obligation to declare, a distinction is made between prizes subject to and not subject to withholding, both in the case of capital gains derived from games without advertising purposes and capital gains derived from prizes of games with advertising purposes.
 - In order to improve the completion of the purchase and sale transactions of shares or stocks of listed funds and indexed variable capital investment companies referred to in article 75.3.j) of the Personal Income Tax Regulations, a new specific section is created for the completion of these transactions.
- Furthermore, the section relating to the Reserve for investments in the Canary Islands incorporates the fifteenth Additional Provision of Law 19/1994, of July 6, amending the Economic and Fiscal Regime of the Canary Islands, introduced by Law 6/2025, of July 28, for the regulation of investments in assets related to housing rental activity in the Canary Islands.
- Also included in the section on determining the resulting self-assessment fee is the new deduction for obtaining income from work as a result of the introduction of the sixty-first Additional Provision of Law 35/2006 by the third Final Provision of Law 5/2025, of July 24.

- Finally, in order to continue advancing in taxpayer assistance and in improving tax management, a new box is introduced for the case in which the corrective self-assessment has the sole purpose of requesting that the previous self-assessment be considered as not filed because there is no obligation to declare for Personal Income Tax.

Payment

- If the declaration of IRPFABBR If the amount due is payable, the taxpayer can, simultaneously with the filing of the return, set up a direct debit, make an immediate electronic payment after obtaining the complete Reference Number (NRC), or obtain a payment document that allows them to make the payment at a collaborating entity.. *AND*, from 2024, through instant transfers made through secure e-commerce platforms (BIZUM) and credit or debit card, under secure e-commerce conditions.
- The possibility remains **Direct debit of payment to accounts opened with a non-collaborating entity belonging to the Single Euro Payments Area (SEPA Area)**, as a consequence of the modification made by the Order HFP/387/2023, of April 18, which modifies the Order EHA/1658/2009, of June 12, which establishes the procedure and conditions for the direct debit of the payment of certain debts through the credit entities that provide the service of collaboration in the collection management of the State Tax Administration Agency.
- **Payment split** : Taxpayers may pay in installments, without interest or any surcharge, the amount of the tax debt resulting from their tax return. IRPFABBR, in two parts: The first, 60 percent of its amount, at the time of filing the declaration, and the second, the remaining 40 percent, until November 5, 2026, inclusive.

Failure to pay the first fraction, i.e. 60% of the amount of the tax debt resulting from the self-assessment, on time determines the start of the enforcement period for the entire amount to be paid resulting from the self-assessment.

Taxpayers who arrange for direct debit of the first installment may arrange for direct debit of the second installment until November 2, 2026, and if they do not arrange for direct debit of the first installment, they may arrange for direct debit of the second installment until June 30, 2026.

In the case of taxpayers who, when splitting the payment, do not wish to have the second installment paid by direct debit in a collaborating entity, they must make the payment of said installment by November 5, 2026, inclusive, using form 102.

Exemptions

Other exempt income other than that provided for in article 7 of the Personal Income Tax Law

Exemptions on capital gains

Exemption for personal injury in forest fires

In order to avoid taxation of those affected by forest fires and other civil protection emergencies that occurred between June 23 and August 25, 2025, as a consequence of the approval of Royal Decree-Law 16/2025, of December 23, from August 26, 2025, the aid granted to them for personal damages referred to in the Agreement of the Council of Ministers of August 26, 2025, is declared exempt from Personal Income Tax.

Earned income

Reduction for income from artistic activities obtained in an exceptional manner

Effective from 1 January 2025, a new sixtieth Additional Provision is added to the Personal Income Tax Law establishing a reduction on gross employment income derived from artistic activities obtained exceptionally, provided that the reduction for irregularity of article 18.2 of the Personal Income Tax Law does not apply and subject to certain requirements, which derive from:

- the creation of literary, artistic or scientific works.
- the special employment relationship of artists who carry out their activity in the performing, audiovisual and musical arts, as well as of the people who carry out technical or auxiliary activities necessary for the development of said arts.

Performance of economic activities

Directly estimated economic activities

Determination of net income

- **Deductible expenses**

a) Expenses of the holder of the activity in social security and for contributions to alternative mutual funds to Social Security

With effect from 1 January 2025, the contribution based on the income from economic, business or professional activity established in article 308 of the consolidated text of the General Social Security Law, will not apply to members of cooperatives included in the Special Social Security Scheme for Self-Employed Workers or the Self-Employed who have an inter-cooperative system of social benefits, complementary to the public system. In any case, these partners will choose their monthly contribution base under the terms provided for in article 308.1 of the consolidated text of the General Social Security Law.

For 2025, the maximum contribution for common contingencies, which operates as a limit for deductible expenses as an alternative mutual insurance scheme to the special Social Security scheme for self-employed workers (RETA), is 16,672.66 euros $[0.283 \times (4,909.50 \times 12)]$.

b) Expenses that are difficult to justify in simplified direct estimation during the tax period 2025

In the 2025 tax period, the application of the 5 percent percentage on net income for all deductible provisions and expenses that are difficult to justify, as referred to in Article 30 of the Regulation, is maintained. IRPFABBR.

- **Repayments**

Freedom of amortization in investments that use energy from renewable sources.

Article 17. One of the Royal Decree-Law 16/2025, of December 24, modified the Seventeenth Additional Provision of Law 27/2014, on Corporate Income Tax, extending this tax incentive for 2025. In this way, investments in facilities intended for the following purposes can be freely amortized in the 2025 tax period:

- Self-consumption of electrical energy using energy from renewable sources as defined in Royal Decree 244/2019, of April 5.
- Thermal use for own consumption that uses energy from renewable sources, replacing installations that use energy from non-renewable fossil sources.

This tax incentive, initially planned for investments made in 2023, will only apply to those investments whose entry into operation occurred in the fiscal years 2023, 2024 and 2025.

Determination of Total Reduced Net Return

Reduction for income from artistic activities obtained in an exceptional manner

From 1 January 2025, and as a result of the incorporation of the sixtieth Additional Provision to the Personal Income Tax Law by the seventh Final Provision of Law 7/2024, taxpayers who carry out certain artistic activities specified in the aforementioned provision may apply a reduction on the net income from economic activities derived from carrying out such activities, provided that the reduction for irregular income provided for in article 32.1 of the Personal Income Tax Law is not applicable.

Objectively estimated economic activities

1. Resignation and consequences of resignation:

For the 2025 tax year, a new deadline has been established to exercise the waiver or revocation of the waiver to the application of the objective estimation method, which runs from December 1 to 31, 2024.

Exceptionally, personal income tax (IRPF) taxpayers who carry out economic activities in the municipalities mentioned in the annex of Royal Decree-Law 6/2024, of November 5, which adopts urgent measures to respond to the damage caused by the Isolated Depression at High Levels (DANA) in different municipalities between October 28 and November 4, 2024, and who had been determining their net income in the 2024 tax period using the objective estimation method, but had waived its application in said 2024 tax

period during the month of December of that year or by submitting, within the regulatory period, the declaration corresponding to the installment payment for the fourth quarter of 2024 in the manner provided for the direct estimation method, may again apply said regime in the 2025 or 2026 tax years, provided that they meet the requirements for its application, revoking the previous waiver during the month of December 2024 or 2025. or by submitting within the deadline the declaration corresponding to the installment payment for the first quarter of the 2025 or 2026 fiscal year, as appropriate, in the manner provided for the objective estimation method. In other words, the mandatory three-year link for renouncing the objective estimation method is eliminated.

Regarding the waiver in the case of starting activity, from February 3, 2025, after the approval of Order HAC/1526/2024, of December 11, the simplified census declaration form 037 for registration, modification and deregistration in the Census of entrepreneurs, professionals and withholding agents is eliminated, so in that case the waiver will be made at the time of submitting the census declaration of start of activity using form 036 for registration, modification and deregistration in the Census of entrepreneurs, professionals and withholding agents.

Furthermore, as a consequence of the publication of Royal Decree-Law 16/2025, of December 23, a new deadline is established to waive or revoke the waiver of the objective estimation regime from the day after the date of publication of this Royal Decree-Law (BOE of December 24) until January 31, 2026.

Resignations and revocations submitted for the year 2026 during the month of December 2025, prior to the new deadline, will be considered submitted within the working period.

However, the taxpayers affected by the provisions of the preceding paragraph may change their choice within the period provided for in the first paragraph.

2. Exclusionary limits:

Royal Decree-Law 16/2025, of December 23, has modified, with effect from January 1, 2025, the thirty-second transitional provision of the Personal Income Tax Law, to extend to the 2025 and 2026 tax periods the application of the same exclusionary quantitative limits set for the 2016 to 2024 tax years: both those relating to the volume of gross income in the immediately preceding year derived from the exercise of economic activities (250,000 euros for all economic activities, except for agricultural, livestock and forestry activities and 125,000 euros for operations for which there is an obligation to issue an invoice when the recipient is a businessman) and to the volume of purchases of goods and services (250,000 euros, excluding the acquisition of fixed assets, for all activities in objective estimation - also including agricultural, livestock and forestry activities).

Determination of prior net performance:

The OrderHFP/1347/2024, of November 28, which develops the objective estimation method for the year 2025 in the IRPFABBR In general, for the 2025 financial year, it maintains the amount of the signs, indices or modules applicable in 2024 to the following products derived from agricultural activities:

- table grapes: at 0.32

- flowers and ornamental plants: at 0.32, and
- tobacco: at 0.26

Likewise, for the year 2025, the treatment of direct aid decoupled from the Common Agricultural Policy, which was reviewed in the 2023 Module Order, is also applicable, so that its taxation in proportion to the income from its crops or farms is conditional upon obtaining a minimum income in the activity other than that of the direct aid itself.

3. Determination of reduced net income:

The following reductions will be eliminated by 2025:

- 35% reduction in the purchase price of agricultural diesel.
- 15% reduction in the purchase price of fertilizers.

Freedom of amortization on certain vehicles and new charging infrastructures

For the 2025 financial year, the system of freedom of depreciation for certain vehicles and new charging infrastructure provided for in the Eighteenth Additional Provision of Law 27/2014, of November 27, on Corporate Income Tax, regulated in the Fifty-Ninth Additional Provision to the Law of IRPFABBR for taxpayers of IRPFABBR that carry out their economic activity using the objective estimation method.

4. Determination of net module yield:

The following correction indices applicable to reduced net income, which were already modified for 2023 and 2024, remain in effect for 2025:

- The correction index for feed purchased from third parties is set at 0.50 per 100, and
- The rate for crops grown on irrigated land using electricity for this purpose is set at 0.75% of the yield from crops grown on irrigated land using electricity.

5. Determination of the net income of the activity: applicable reductions:

General reduction: The general reduction of 5 percent applicable to the net income of modules obtained in the tax period 2025 by taxpayers in objective estimation is maintained, both with agricultural, livestock and forestry activities and with activities other than these.

Special procedures

Real estate income imputation regime

As in the previous year, in 2025, In those municipalities where cadastral values have been revised, modified or determined through a general collective valuation procedure, in accordance with cadastral regulations, provided that they have come into force from 1

January 2012, they will continue to apply the imputation at 1.1 percent in 2025.

Net tax base

Reductions in the general tax base

Tax regime for benefits received and advance disposal of consolidated rights

From 1 January 2025, it will be possible to access the vested rights of Pension Plans and similar supplementary social security systems in advance. **corresponding to contributions made at least ten years ago.**

Personal and family tax-free threshold

Regional minimum

The Autonomous Community of the Principality of Asturias has established for the first time for 2025, in the exercise of its regulatory powers, the amounts corresponding to the minimum taxpayer and the minimums for descendants, ascendants and disability, which must be applied by taxpayers residing in the territory of said autonomous community for the calculation of the regional tax.

Tax calculation: determination of full quotas

Taxation of the general taxable base

All Autonomous Communities have approved their corresponding scales applicable to the general taxable base.

Taxation of the taxable base of savings

Effective from 1 January 2025, Articles 66 and 76 of the Law are amended IRPFABBR, which regulate the scale applicable to the part of the taxable base of savings to determine the full state tax and the full regional tax, respectively.

Likewise, the scale applied to the savings portion of the taxable base to determine the full state tax liability is modified in the case of taxpayers who have their habitual residence abroad due to any of the circumstances indicated in articles 8.2 and 10.1 of the Law on IRPFABBR.

Deductions from the full fee

Deductions for incentives and stimuli to business investment in economic activities in direct estimation

General regime and special regimes of deductions for incentives and stimuli to business investment of the Corporate Income Tax Law

- **Special deduction regimes**

Support programs for events of exceptional public interest.

New deductions in the business field are included, linked to events of exceptional public interest approved in Royal Decree-Law 8/2025, of July 8, which declares various initiatives and programs as events of exceptional public interest (BOE July 9).

Economic and fiscal regime of the Canary Islands

Deduction for Investments in the acquisition of fixed assets

Regarding the **limits applicable to the deduction for investments in fixed assets made in the Canary Islands**, The Supreme Court has established as an interpretative criterion in its Judgments No. 3486/2005, 744/2009 and 745/2009, of May 31, January 29 and 15, respectively, that the **joint limit** The 70 percent (80 percent for the islands of La Palma, La Gomera and El Hierro) only applies if there are deductions for investments in fixed assets in the Canary Islands from previous tax periods together with the deductions of the tax period itself.

Canary Islands Investment Reserve

Laws 6/2025, of July 28, and 7/2024, of December 20, incorporate various modifications to Article 27 of Law 19/1994, modifying the Economic and Fiscal Regime of the Canary Islands, with effects for tax periods beginning on or after January 1, 2025. The main new features relate to:

- A new paragraph is added to Article 27.1 to clarify that financial institutions may only use their provisions from the RIC in the financial instruments provided for in point 3 of letter D of article 27.4 when the project to be financed can be classified in the investments provided for in letters A (initial investments) or B (job creation).
- The concept of “housing for tourist purposes” is replaced by the expression “holiday accommodation” in its non-hotel form, subject to specific regulation in the Canary Islands by Decree 142/2010, of October 4.
- Initial investments are also considered to be those made in land, whether built upon or not, provided that they have not previously benefited from the regime of the RIC and are intended for the promotion of protected housing, and are intended for rental even when a

public body, entity or organization intervenes as an intermediary in the effective formalization of the rental.

- From 2025 onwards, in relation to the subscription of financial instruments, it is permitted that these instruments issued by financial entities may finance not only private projects in the Canary Islands but also public-private partnership projects.

Finally, the materialization of the RIC in the acquisition and, where applicable, construction of real estate located in the Canary Islands intended in a novel way for the rental of habitual housing (provided that the property has not been rented within the previous year), with or without option to purchase, and there is no direct or indirect link with the tenant. The materialization of the reserve is also permitted through investments in job creation directly related to the planned investments, and through the subscription of shares or stakes in the capital of companies that carry out their activity in the archipelago, as a result of their constitution or capital increase, when such entities make investments related to the rental of habitual housing.

Special tax regime of the Balearic Islands

The aforementioned special tax regime for the Balearic Islands continues to be applicable in the fiscal years 2023 to 2028, both inclusive, which was subject to regulatory development through Royal Decree 710/2024, of July 23 (BOE July 24).

Deduction for habitual and effective residence on the island of La Palma during the year 2025

Royal Decree-Law 13/2025, of November 25, adopting urgent complementary measures for the economic and social recovery of the island of La Palma after the damage caused by volcanic eruptions, validated by the Congress of Deputies by Resolution of December 11, 2025, modifies the fifty-seventh Additional Provision in the Law of IRPFABBR to extend to 2025 the temporal scope of application of the deduction provided for in article 68.4.1 of the Law of IRPFABBR (deduction for obtaining income in Ceuta and Melilla) applicable to taxpayers with habitual and effective residence on the island of La Palma.

Deduction for works to improve the energy efficiency of homes

With effect from 1 January 2025, the fiftieth Additional Provision of the Personal Income Tax Law is amended to extend the temporary scope of application of the deductions in the Personal Income Tax for energy efficiency improvement works for one more year (for the amounts paid for works carried out until 31 December 2026 in the case of main residences, and until 31 December 2027 in the case of residential buildings).

Deduction for the acquisition of plug-in electric vehicles and fuel cells and charging points

As a consequence of the approval of Royal Decree-Law 3/2025, of April 1, which establishes the incentive program linked to electric mobility (MOVES III) for the year 2025, the two new deductions established in the fifty-eighth Additional Provision of the Law on the IRPFABBR which are:

- Deduction for the purchase of new plug-in electric and fuel cell vehicles.
- Deduction for the installation of battery charging points for said electric vehicles.

Deductions from the total liquid contribution

Deduction por obtención de rendimientos del trabajo

Effective from 1 January 2025, and in order to eliminate the tax for recipients of the new minimum interprofessional wage (SMI), which amounts to 16,576 euros per year from 2025, and to reduce the tax for recipients of employment income higher than the minimum interprofessional wage and lower than 18,276 euros per year, a sixty-first Additional Provision is added to Law 35/2006, according to which taxpayers whose total employment income is less than 18,276 euros may apply this deduction to the total net tax liability, reduced, where applicable, by the deduction for international double taxation, due to income obtained and taxed abroad, provided they meet the following requirements:

- who obtain total income from work, derived from the effective provision of services corresponding to an employment or statutory relationship, of less than 18,276 euros, and
- that do not have income, excluding exempt income, other than the aforementioned employment income, exceeding 6,500 euros.

Due tax

Withholdings and payment on account

Type of withholding applicable to certain employment income

Royal Decree-Law 13/2025, of November 25, modified the Fifty-Seventh Additional Provision of the Law of IRPFABBR to extend to 2025 the deduction provided for in article 68.4 of the Personal Income Tax Law (deduction for income obtained in Ceuta and Melilla) applicable to taxpayers with habitual and effective residence on the Island of La Palma. As a result, the withholding percentage will be reduced by 60 percent for the 2025 tax year when employment income benefits from the deduction provided for in article 68.4 of the Law on IRPFABBR (deduction for income obtained in Ceuta and Melilla) and for the 2025 tax year, also when it comes to income obtained on the island of La Palma by taxpayers with habitual and effective residence on that island, as referred to in the Fifty-Seventh Additional Provision of the aforementioned Law.

However, for the 2025 tax year, the above is only applicable to determine:

- The withholding tax rate or payment on account for employment income determined by the general withholding procedure provided for in Article 82 of the Regulations IRPFABBR that are paid or credited from November 27, 2025 onwards, and must, where appropriate, adjust the withholding tax rate or payment on account for the first employment income that is paid or credited from that date.

However, the payer is given the option to carry out the above in the first employment income that is paid or credited from the month of December, in which case the rate of withholding or payment on account on the employment income paid previously will be determined without taking into account the reduction of the amount of said payments on account.

- The type of installment payment corresponding to economic activities that are entitled to it whose filing period had not started by November 27, 2025.

Tax return result

Maternity deduction and additional increase for custodial expenses

Royal Decree 253/2025, of April 1, has modified article 69.9 of the Regulation of IRPFABBR. Therefore, they are obliged to submit the informative declaration for expenses in nurseries or authorized early childhood education centers (form 233), not only nurseries but also the authorized early childhood education centers referred to in article 81.2 of the Law of IRPFABBR. This change will apply to the information returns corresponding to 2025, to be submitted in January 2026.

Other issues of interest

IPREM , legal interest, late payment interest and average annual salary of all declarants of IRPFABBR

- The amount of the Public Indicator of Income for Multiple Effects (IPREM) for 2025 remains at 8,400 euros, in accordance with the provisions of the ninetieth Additional Provision of Law 31/2022, of December 23, on the General State Budget for the year 2023 (BOE of December 24), since, as in 2024, they are extended to 2025 in accordance with the provisions of article 134.4 of the Spanish Constitution.
- Similarly, with the extension of the General State Budget for the year 2023, and The legal interest rate for the year 2025 has been set at 3.25 percent and the late payment interest referred to in Article 26.6 of the General Tax Law at 4.0625 percent, in accordance with the provisions of the forty-second Additional Provision of Law 31/2022, of December 23, on the General State Budget for the year 2023 (BOE December 24).

For 2026, the legal interest rate remains at 3.25 percent and the late payment interest rate at 4.0625 percent, which will remain in effect until the General State Budget Law for 2026 is approved and comes into force, which as of the closing date of this Manual has not yet occurred.

- The average annual salary of all declarants of Personal Income Tax It remains at 22,100 euros for the 2025 financial year.

Chapter 1. 2025 Income Tax Return Campaign

Who is required to file an income tax return for 2025?

The Tax Agency's electronic headquarters includes a "Virtual Income Assistant", where you can check [whether you are required to file based on the type of income you have obtained and its amount](#), as well as the [obligations of the heirs in the case of deceased taxpayers](#).

Delimitation of the obligation to declare in personal income tax

Note: For the purposes of determining the obligation to declare, exempt income is not taken into account.

Positive delimitation

They are obligated to file the declaration for the IRPFABBR of the exercise 2025 the following [contributors](#):

Remember: Final Provision One of Royal Decree-Law 13/2022, of July 26 (BOE July 27) modified Article 96.2 of the Law of IRPFABBR establishing from January 1, 2023 the obligation to declare for all those individuals who at any time during the tax period were registered as self-employed workers in the Special Scheme for Self-Employed Workers or in the Special Scheme of Social Security for Seafarers, regardless of the amount of their income.

a. Those who have obtained income in the year greater than the amounts indicated below for each class or source.

b. Those who, regardless of the amount and nature or source of the income obtained, **were entitled to apply** the transitional regime of the **deduction for investment in habitual housing**, the **deduction for international double taxation**, or have made contributions to

protected assets of people with disabilities, pension plans, insured pension plans, company social security plans, dependency insurance or social security mutual funds **that reduce the tax base, when they exercise the corresponding right.**

c. Thenot required to declare due to the amount and nature or source of the income obtained during the year, **that request the [refund derived from the regulations of IRPFABBR](#)**that, if applicable, corresponds to them (among other cases due to withholdings and payments on account borne or due to deductions for maternity, large families or dependent persons with disabilities).

The provisional liquidation that, where appropriate, the tax administration may carry out on these taxpayers may not imply any obligation other than the restitution of what was previously returned plus the late payment interest referred to in article 26.6 of the LGT . All of this without prejudice to any subsequent verification or investigation that, where appropriate, may be carried out by the State Tax Administration Agency.

In relation to the LGT see Law 58/2003, of December 17, General Tax.

d. From 2023, all natural persons who at any time during the tax period were registered as self-employed or freelance workers :

- **in the Special Regime for Self-Employed Workers or Autonomous Workers, or**
- **in the Special Social Security Regime for Sea Workers**

In both cases, regardless of the amount of their returns.

Precision: Please note that **and are also affected** by this obligation **the collaborating family members** of self-employed or freelance workers, who are registered in the indicated regimes (Special Regime for Self-Employed or Freelance Workers, or Special Social Security Regime for Sea Workers).

Beneficiaries of the minimum vital income: *In accordance with the provisions of Article 36.1.f) and 2.c) of Law 19/2021, of December 20, which establishes the minimum living income, the persons entitled to the minimum living income and all members of the household are required, in order to maintain the benefit of the minimum living income, to submit annually the corresponding declaration to IRPFABBR, regardless of whether or not they meet the requirements established in Article 96 of the Law of IRPFABBR for the obligation to declare.*

For these purposes, the cohabitation unit is the one defined in article 6 of Law 19/2021, of December 20.

When minors are part of the minimum vital income cohabitation unit, they must file a declaration individually or jointly with their parents (if it is the taxation option of the family unit) and, to do so, they can access the Renta WEB help service, authenticating themselves as follows:

(*) In the case of a joint declaration, the minor's NIF must be entered but authentication with a reference number (RENØ) or CI@ve will not be necessary, unless the minor obtains income.

- **With reference (RENØ) .**

Please note that if the minor did not file a declaration of IRPFABBR in the previous year, you need to be the holder or joint holder of a Spanish bank account (IBAN) opened in your name on December 31st 2025 (for Rent) 2025) in order to be identified.

- **With *Cl@ve Móvil*.**

*In order to register in **Cl@ve**, minors must come with their **valid ID** issued by the General Police Directorate, accompanied by the person exercising their parental authority with the **documentation that proves their identification and parental authority**.*

*They cannot register in **Cl@ve** with a NIF K.*

The declaration of these minors may also be submitted on their behalf:

- **By legal representatives** (normally, the parents) with their own authentication system (electronic certificate or *Cl@ve*), if they have previously registered in the Registry of successions and legal representations of minors and incapacitated persons.

See the Resolution of May 18, 2010, of the General Directorate of the State Agency for Tax Administration, in relation to the registration and management of power of attorney and the registration and management of successions and legal representation of minors and incapacitated persons for carrying out procedures and actions online before the Tax Agency (BOE of May 21).

- **By a social worker or by an authorized public official (in-person service at offices)** where identification with *Cl@ve Móvil* or reference is not necessary because the one who signs is the collaborator or the official with their certificate.
- **By an authorized public official (telephone assistance)** prior identification of the minor with *Cl@ve Móvil* or reference number for their care (RENØ).

Negative delimitation

are not required to file a tax return for the amount and nature of the income obtained:

1. Taxpayers whose income comes exclusively from the following sources, provided that they do not exceed any of the limits indicated in each case, in individual or joint taxation:

A. Gross employment income (including, but not limited to, pensions and passive earnings, including those from abroad, as well as compensatory pensions and non-exempt alimony) the amount of which does not exceed the sum of:

- **22,000 euros per year**, in general.
- **15,876 euros per year**, in the following cases:

a. When the income from work comes from more than one payer.

However, the **limit** will be **22,000 euros per year in the following cases** :

1. When, coming from more than one payer, the sum of the amounts received from the second and remaining payers, in order of amount, do not exceed in total the amount of 1,500 euros per year.

This is regardless of whether the amounts paid by the second and subsequent payers are subject to the general withholding procedure, are compensatory pensions or other income not subject to withholding or are subject to a fixed withholding rate.

In the specific case of receiving a Social Security pension from the INSS , and the Civil Service pension from the General State Administration itself, it is considered that there are two payers until the total assumption of the management of the Civil Service Regime of the State by the INSS takes place, that is, until the integration of the General Subdirectorate of Civil Service Management into the INSS takes place.

Please note that, as a consequence of the effects derived from the repeal of Royal Decree-Law 9/2024 of December 23, by Resolution of the Congress of Deputies of January 22, 2025, for accruals occurring between January 1 and 22, 2025, the increase from 1,500 to 2,500 euros per year of the amount received from the second and subsequent payers determining the obligation to declare is applicable, in order to apply the limit of 22,000 euros.

2. When dealing with pensioners whose only income from work consists of the passive benefits referred to in Article 17.2.a) of the Law of IRPFABBR originating from two or more payers, provided that the amount of withholdings made by these has been determined by the Tax Agency, at the taxpayer's request, through form 146 and, in addition, the following requirements are met:

- That the number of payers of passive benefits has not increased during the year compared to those initially reported when making the application.
- That the amount of benefits actually paid by the payers does not differ by more than 300 euros per year from that initially reported in the application.
- That none of the other circumstances determining an increase in the withholding rate provided for in Article 87 of the Regulation have occurred during the year IRPFABBR.

Precision: Regarding Form 146, see the Resolution of January 13, 2003 (BOE of January 14), which approves Form 146 for the request to determine the amount of withholdings, which may be submitted by taxpayers receiving passive benefits from more than one payer, and determines the place, deadline and conditions for submission.

b. When spousal alimony or non-exempt alimony annuities are received.

Please note that they are exempt from IRPFABBR the [alimony payments](#) received from the parents by virtue of a court decision or the regulatory agreement. See Chapter 2 in this regard.

c. When the payer of the employment income is not required to withhold.

Precision: when a taxpayer resident in Spain receives as their only income a pension from a foreign source and must pay tax on it in the IRPFABBR Whether because the Convention to eliminate double taxation with the country of origin of the pension so provides, or because no such Convention exists, it should be noted that the non-resident payer of the pension is not obliged to withhold on account of the

IRPFABBR provided that it does not operate in Spain, the limit determining the obligation to declare being 15,000 euros (for tax periods 2024 and later, 15,876 euros). (Resolution of the TEAC of June 28, 2022, Claim number 00/02210/2022, issued in an appeal for the unification of criteria).

d. When full employment income is received and is subject to a fixed withholding rate.

This consideration is in 2025 the withholding tax rate of 35 percent or 19 percent (when the income comes from entities with a net turnover of less than 100,000 euros) applicable to the remuneration received for the status of directors and members of the Boards of Directors, of the Boards that act in their place and other members of other representative bodies, as well as the withholding tax rate of 15 percent applicable to the income derived from giving courses, lectures and the like, or derived from the preparation of literary, artistic or scientific works, provided that the right to their exploitation is transferred. However, the withholding rate on work income derived from the production of literary, artistic or scientific works will be 7% when the volume of such gross income corresponding to the immediately preceding fiscal year is less than 15,000 euros and represents more than 75% of the sum of the gross income from economic activities and work obtained by the taxpayer in said fiscal year.

Note: In the case of joint taxation, the same quantitative limits indicated above must be taken into account. However, for the purposes of determining the number of payers, the situation of each member of the family unit individually considered will be taken into account. For example, in a joint declaration by both spouses, each of whom receives their income from a single payer, the determining limit for the obligation to declare is 22,000 euros per year.

B. Gross income from movable capital (dividends from shares, interest on accounts, deposits or fixed-income securities, etc.) and **capital gains** (gains from redemptions of shares in Investment Funds, prizes for participation in contests or games, etc.), provided that both have been **subject to withholding or payment on account** and their total amount does not exceed the sum of euros per year.

The regulations of IRPFABBR It does not provide for the possibility of offsetting the full positive and negative returns on movable capital for the purposes of the obligation to declare. Consequently, only positive gross income will be taken into account to determine whether there is an obligation to declare.

Capital gains from transfers or reimbursements of shares or interests in collective investment institutions in which the withholding base cannot be determined by the amount to be included in the tax base are excluded from the joint limit of 1,600 euros per year.

Note: When the withholding base has not been determined based on the amount to be included in the tax base, the capital gain obtained from transfers or reimbursements of shares or interests in collective investment institutions may not be computed as a capital gain subject to withholding or payment on account for the purposes of the limits excluding the obligation to declare.

C. Imputed real estate income, gross income from personal capital not subject to withholding derived from **Treasury bills and subsidies for the acquisition of officially protected or appraised housing and other capital gains derived from public aid**, with a joint limit of **1,000 euros per year**.

Since it does not give rise to the imputation of real estate income, the taxpayer's habitual residence will not be taken into consideration for these purposes, nor will the parking spaces acquired jointly with it up to a maximum of two, as well as undeveloped land.

2. Taxpayers who have obtained in the fiscal year 2025 exclusively gross income from work, capital (movable or immovable property) or economic activities, as well as capital gains, whether or not subject to withholding, up to a maximum combined amount of 1,000 euros per year and capital losses of less than 500 euros, in individual or joint taxation.

Specialty: Obligation to declare for self-employed workers in the RETA

However, as of January 1 2023, **all natural persons who at any time during the tax period were registered as self-** workers in the Special Regime for Self-Employed Workers or in the Special Social Security Regime for Sea Workers will be required to file

Comments:

- **Those affected** by this obligation are self-employed workers, including **collaborating family members** , who are registered in the indicated regimes (Special Regime for Self-Employed Workers, or Special Social Security Regime for Sea Workers).
- Unlike the previous ones, **are not affected** by this obligation:
 - **self employed workers included in the Special Regime for Sea Workers**
 - **religious and members of institutes of consecrated life of the Catholic Church** included in the Special Regime for Self-Employed Workers or Autonomous Workers, who have specific regulations and do not carry out any economic activity.

Please note that this latter group (members of institutes of consecrated life of the Catholic Church) has specific regulations in the Second Additional Provision of Royal Decree-Law 13/2022, which indicates that contributions based on income from economic or professional activity do not apply to them. Their inclusion in the Special Regime for Self-Employed Workers was motivated by the need to provide them with coverage within the Social Security system, rather than by their pursuit of a lucrative activity as a self-employed worker or freelancer.

All of this is without prejudice to the obligation to declare in those cases where the members of the aforementioned group meet any of the other conditions provided for in the aforementioned article 96 of the Law IRPFABBR.

Clarifications to points 1 and 2 above:

To determine the amounts indicated, income that is exempt from tax will not be taken into consideration. IRPFABBR such as, for example, public scholarships to study at all levels and grades of the education system, alimony payments received from parents by court order, etc.

Nor will income subject to the Special Tax on prizes from certain lotteries and bets, regulated in the Thirty-Third Additional Provision of the Law, be taken into account. IRPFABBR.

None of the amounts or limits will be increased or expanded in the case of joint taxation of family units.

Taxpayers not required to declare - summary table

Ruler	Income obtained	Limits	Other conditions
1	Earned income	22,000	- One payer (2 and remaining $\leq 1,500$ euros per year). - Passive benefits from two or more payers whose withholdings have been determined by the Tax Agency.
		15,876	- More than one payer (2 and others $>1,500$ euros annually). - Non-exempt spousal pensions or alimony annuities. - Payer of income not required to withhold. - Income subject to a fixed withholding rate
	- Income from movable capital. - Capital gains.	1,600	Subject to withholding or payment on account, except for capital gains from transfers or refunds of shares or interests in IICs in which the withholding base does not need to be determined by the amount to be included in the tax base.
	- Imputed real estate income. - Treasury Bill Yields. - Subsidies for the acquisition of officially protected or fixed-price housing. - Other capital gains derived from public aid	1,000	-
2	- Income from work. - Capital gains (personal and real estate). - Income from economic activities except taxpayers in RETA or RETM . - Capital gains.	1,000	Whether or not subject to withholding or payment on account.
	Property losses.	<500	Whatever its nature.

Comments on the painting:

Rule 2 and its limits are independent of those contained in Rule 1, acting in any case as a corrective criterion for Rule 1 for low-value income. Consequently, if a taxpayer is not required to file a tax return due to the nature and amount of income obtained in accordance with the limits and conditions of Rule 1, Rule 2 will not apply.

When, following the application of the limits and conditions of rule 1, the taxpayer is obliged to file a return, rule 2 and its limits must be consulted to verify whether the exclusion from the obligation to file applies when dealing with low-value income.

Please note that Rule 1 does not list capital losses among the cases exempt from the obligation to file.

Likewise, please note that rule 2 does not list the imputation of income, nor does it include taxpayers who at any time during the tax period had been registered, as self-employed workers, in the Special Regime for Self-Employed Workers (RETA), or in the Special Social Security Regime for Sea Workers (RETM) since, as of January 1, 2023, **will in any case be** required to declare regardless of the amount of their income.

Examples of taxpayers required to declare

By way of example, the following taxpayers, among others, are required to declare:

- Taxpayers who have received full employment income from a single payer in an amount exceeding €22,000 per year.
- Taxpayers who received gross employment income exceeding 15,876 euros during 2025 in the following cases:
 - a. When they come from more than one payer, if the sum of the amounts from the second and remaining payers, in order of amount, exceeds the figure of 1,500 euros per year.
 - b. In the case of pensioners with several pensions whose withholdings have not been made in accordance with those determined by the Tax Agency, upon request by the taxpayer to this effect, using form 146.
 - c. When spousal alimony or non-exempt alimony annuities are received.
 - d. When the payer of the employment income is not required to withhold.
 - e. When full employment income is received and is subject to a fixed withholding rate.
- Taxpayers who have been owners of real estate for personal use other than their habitual residence and of undeveloped land, whose imputed income together with the income derived from Treasury Bills and the amount of subsidies for the acquisition of officially protected housing or at an appraised price and other capital gains derived from public aid exceeds 1,000 euros per year.
- Taxpayers who are owners of economic activities, including agricultural and livestock activities, regardless of the method of determining their net income, provided that the gross income together with that from work and capital, as well as that from capital gains, is greater than 1,000 euros per year.
- Taxpayers who have suffered capital losses of 500 euros or more per year.

- Taxpayers who own rented properties (apartments, premises, parking spaces), whose total income, exclusively from the aforementioned properties, or together with income from work, movable capital, economic activities and capital gains, exceeds 1,000 euros per year.
- Taxpayers who, as of January 1, 2023, at any time during the tax period, have been registered, as self-employed workers, in the Special Regime for Self-Employed Workers or **Self-Employed** , or in the Special Social Security Regime for **Sea Workers**.

Draft of the 2025 Personal Income Tax Return: Access and modification

Regulations: Articles Law 98 IRPFABBR and 64 RegulationIRPFABBR

Introduction

In the current tax year, as in previous years, a single tax return form (Form D-100) has been approved, which must be used by all taxpayers required to file a tax return. IRPFABBR.

The tax authorities may make available to taxpayers, for information purposes only, a draft declaration, provided that they obtain income exclusively from the following sources:

- a. Income from work.
- b. Income from movable capital subject to withholding or payment on account, as well as income derived from Treasury bills.
- c. Capital gains subject to withholding or payment on account, as well as subsidies for the acquisition of a primary residence.
- d. Allocation of real estate income and other sources of income established by the Minister of Finance and Public Administrations, in accordance with the information that may be available to the tax authorities in the future, with the limits and conditions indicated by the Minister.

For such purposes, the tax authorities may require taxpayers to provide information.

When the Tax Administration lacks the necessary information to prepare the draft tax return, it will provide the taxpayer with the data that may facilitate the preparation of the return. IRPFABBR.

The draft declaration is prepared for each taxpayer through the Renta WEB Service based on the economic data provided by third parties through information declarations and personal information held by the AEAT .

Tax data and the draft declaration itself may be modified by the taxpayer, who will also have the option of incorporating new data if necessary.

Actions prior to accessing the draft declaration

Before accessing the draft declaration, the taxpayer must have one of the means of identification, authentication and signature indicated below, and confirm or, where appropriate, modify his or her tax address.

a. Identification systems for access to draft and/or tax data

Important : *the taxpayer must have NIF and be identified, prior to filing, in the Census of Taxpayers referred to in article 3 of the General Regulation of the actions and procedures of tax management and inspection and development of the common rules of the procedures for the application of taxes, approved by Royal Decree 1065/2007, dated July 27. To verify compliance with this requirement, the taxpayer may access the "my census data" option available on the Electronic Headquarters of the AEAT . In the case of a joint declaration filed by both spouses, the above circumstances must occur in each of them .*

- a. **Recognized electronic certificate** , issued in accordance with the conditions established by Law 6/2020, of November 11, regulating certain aspects of electronic trust services, which is admissible by the State Tax Administration Agency according to the regulations in force at all times.

Please note that Law 59/2003, of December 19, on electronic signature, was repealed with effect from November 13, 2020, by the repealing provision a) of Law 6/2020, of November 11, regulating certain aspects of electronic trust services (BOE of November 12).

- b. **Cl@ve Mobile System** of identification, authentication and common electronic signature for the entire State Administrative Public Sector, which will allow citizens to interact electronically with public services through a common platform by using agreed keys after registering as a user of the same.

As a new feature, the system allows users to scan a QR code, eliminating the need for users to enter their identification information on the login screen. If you cannot scan the QR code, you can confirm the authentication request that will be sent to the Cl@ve APP.

Please note Order PRE/1838/2014, which publishes the Council of Ministers Agreement of 19 September 2014, approving Cl@ve PIN, the common platform of the State Administrative Public Sector for identification, authentication and electronic signature through the use of agreed keys (BOE October 9).

Note: *Please note that for this campaign, for convenience and speed, when identifying yourself using Cl@ve, a Cl@ve PIN will always be sent via SMS.*

- c. **Reference number** previously provided by the State Tax Administration Agency.

In order to obtain the reference number, taxpayers must communicate their Tax Identification Number (NIF), the expiration date of their National Identity Document (DNI) or the support number of their Foreigner Identity Number (NIE), except in the case that the National Identity Document (DNI) is permanent (expiration date 01/01/9999) in which case the date of issue must be communicated or in the case that it is a Tax Identification Number (NIF) that begins with the letters K, L, M in which case the date of birth must be communicated.

In addition, the amount from the box must be provided. **[0505]** from the statement of IRPFABBR corresponding to the fiscal year **2024**, “General taxable base subject to tax”, unless it is a taxpayer who did not file a return in the immediately preceding year, in which case an International Bank Account Number (IBAN) from a Spanish bank must be provided in which he appears as the holder as of December 31. 2025.

The reference number can be requested electronically via the Internet at the Electronic Office of the State Tax Administration Agency, using a recognized electronic certificate or the Cl@ve Móvil system, without needing to communicate the box **[0505]**.

The State Tax Administration Agency will adopt the necessary control measures to guarantee the identity of the person or persons requesting the reference number, as well as, where appropriate, the conservation of the communicated data.

Obtaining a reference number invalidates any previous reference number that may have been requested. Therefore, if several reference numbers have been requested, only the one that is valid will allow access to the draft tax return or tax data, and will allow modification and, where applicable, submission of the draft or tax return. IRPFABBR, the last requested reference number.

For the reference number, see the first section. 3.a) and Annex I of the Resolution of 17 November 2011 of the Presidency of the State Tax Administration Agency, approving identification and authentication systems other than the advanced electronic signature for electronic relations with the aforementioned Tax Agency.

d. eIDAS .

Since the previous campaign, 2024 EU citizens can also identify themselves using eIDAS authentication, a system that allows citizens of an EU country to use their national electronic identification to carry out procedures on the Tax Agency's website, including filing their tax return. IRPFABBR.

See the Regulation for these purposes (EU) Regulation (EC) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC.

Important: *In the case of joint declarations made by both spouses, it will be necessary for the spouse listed as the first declarant to have a recognized electronic certificate. Cl@ve Móvil or reference number, the other spouse being required to have a reference number or Cl@ve Móvil. In the event that access to the draft or declaration processing service of IRPFABBR through the Electronic Office **by duly authorized representatives or social collaborators** These will be the ones who must have their electronic certificate.*

b. Ratification of the taxpayer's current habitual residence

The identification of the taxpayer's tax domicile introduced in 2019 is maintained, which offers the information of the last tax domicile available in the database of the State Tax Administration Agency **separately from the rest of the declaration and before the download of the tax data** so that the taxpayer can ratify it and, if applicable, modify it.

However, in this exercise, the taxpayers of IRPFABBR Those registered in the census of entrepreneurs, professionals or withholding agents, if they wish to change their tax domicile, must do so through the **corresponding census declaration**.

Obtaining the draft personal income tax return and tax data

What the draft income tax return includes

The draft declaration is prepared for each taxpayer based on the economic data provided by third parties through information declarations and personal information held by the AEAT . Said **tax data** They are made available to the taxpayer in order to facilitate the preparation of the tax return. IRPFABBR.

To access the draft declaration and the aforementioned tax data, the taxpayer has any of the means indicated in the previous point.

He **deadline for obtaining the draft and/or tax data** It ranges from the April 8 until June 30th 2026.

Once the draft tax return has been obtained, if the taxpayer considers that it reflects their tax situation for the purposes of IRPFABBR, will be able to carry out the [confirmation](#) of the same, in which case, the draft declaration of the IRPFABBR duly confirmed will be considered a declaration of IRPFABBR or urge their [modification](#) by any of the means indicated in the following section when you consider that economic or personal data not included should be added or notice erroneous or inaccurate data in it.

The computer application available to the taxpayer for preparing the tax return IRPFABBR It is called WEB Rental.

Declarations made through the assistance services provided at the offices of the Tax Agency or those authorised for this purpose by the Autonomous Communities, Cities with Statute of Autonomy and local entities for the provision of said service and whose presentation is made at the aforementioned offices through the Tax Agency intranet will be valid.

Deadline for obtaining the draft and/or tax data

From the April 8 until June 30th 2026.

Access to the draft declaration of IRPFABBR already the tax data

All taxpayers, within the deadlines and using one of the identification systems indicated above, may access their draft and tax data electronically at the Electronic Office of the State Tax Administration Agency, in the Draft or Declaration Processing Service, from where they may confirm and submit it or, where appropriate, modify, confirm and submit it. If the draft tax return is obtained through the joint taxation option, the Tax Identification Number (NIF) of the spouse and, where applicable, of the other members of the family unit who receive income, as well as their reference number or Cl@ve Móvil, must also be stated.

This draft or declaration processing service can be accessed through the Tax Agency's website at the following electronic address: <https://sede.agenciatributaria.gob.es>.

The tax data from the declaration of IRPFABBR They will also be available on the Electronic Headquarters of the State Tax Administration Agency, at the following electronic address: <https://sede.agenciatributaria.gob.es>, by accessing it through the "Tax Information" procedure.

In addition, taxpayers will also be able to access their tax data and a summary of their draft tax return. **through a mobile application**, after prior registration in the same, using the Cl@ve Móvil system or the reference number referred to in letters b) and c) of the section on identification systems for access to the draft and/or tax data. They may also confirm and submit the draft declaration as long as they do not need to modify or include any additional information.

In any case, failure to obtain the draft declaration or tax data will not exempt the taxpayer from his obligation to file a declaration.

Note: All taxpayers, regardless of the nature of the income they have obtained during the fiscal year (from work, from movable or immovable capital, from economic activities, capital gains and losses, as well as income imputations) may obtain the draft of the declaration through the Draft or Declaration Processing Service (Renta WEB), after providing, where applicable, certain information that will be requested for this purpose, or other information that the taxpayer may incorporate.

How to modify the draft declaration

The taxpayer may request the modification of the draft tax return IRPFABBR when you consider that personal or financial data not included in it should be added or you notice that it contains erroneous or inaccurate data.

The modification of the draft declaration may be made through one of the following **ways**:

1. By electronic means

a. Through the Electronic Headquarters of the State Tax Administration Agency

The taxpayer can modify their draft through the Electronic Office of the State Tax Administration Agency, at the electronic address <https://sede.agenciatributaria.gob.es>, accessing the Draft or Declaration Processing Service. To do this, the taxpayer must use

one of the identification systems indicated above (recognized electronic certificate, Cl@ve Móvil system, reference number or eIDAS). In the event of modification of the draft declaration due to the joint taxation option, the Tax Identification Number (NIF) of the spouse and their reference number or Cl@ve Móvil must also be stated.

b. Over the phone

The taxpayer can modify his draft by telephone call, communicating his Tax Identification Number (NIF) and his reference number, previously requested by the State Agency for Tax Administration, exclusively for those taxpayers who meet the requirements listed in the Electronic Office of the State Agency for Tax Administration on the Internet. In the case of a joint declaration made by both spouses, it will also be necessary to communicate the NIF as well as the reference number of the spouse.

For these purposes, the State Tax Administration Agency will adopt the necessary control measures to guarantee the identity of the taxpayers who make the request to modify the draft declaration.

2. Personally

The taxpayer can modify his draft by appearing in person, **requesting an appointment**, at any **Delegation or Administration of the State Tax Administration Agency**, for which he must provide, in order to prove his identity, among other data, his Tax Identification Number (NIF).

You can also request the modification of the draft declaration in person at the **Tax Administration offices of the Autonomous Communities and Cities with Statutes of Autonomy** that have signed a collaboration agreement with the State Tax Administration Agency, under the terms provided for in said agreement.

Confirmation of the draft and submission of the 2025 Personal Income Tax returns

Deadline and form of submission of declarations

When the taxpayer considers that the draft tax return reflects their tax situation for the purposes of this tax, they may confirm and submit it, in which case it will be considered a tax return. IRPFABBR for all intents and purposes.

Deadline for submitting the draft and the declarations of IRPFABBR

The deadline for submitting the draft and the declarations of IRPFABBR corresponding to the fiscal year 2025 Whatever the outcome, it will be the period between the days **April 8 until June 30th 2026**, both inclusive.

All of this is without prejudice to the deadline for direct debit payments of the declarations (until June 25th) 2026) which is discussed in this same chapter.

Format for presenting the draft and the declarations of IRPFABBR

The confirmation of the draft and subsequent submission thereof (declaration) or of the declarations of the IRPFABBR It must be done through one of the following methods:

1. By electronic means via the Internet at the Agency's Electronic Office

To do so, the taxpayer must use one of the following identification systems: recognized electronic certificate, Cl@ve Móvil system, reference number or eIDAS. In the case of joint declarations made by both spouses, it will also be necessary to communicate the NIF, as well as the spouse's reference number or Cl@ve Móvil.

Who can file electronically over the Internet?

Electronic filing via the Internet through the Electronic Office of the State Tax Administration Agency may be carried out:

- a. By the taxpayers or, where applicable, their legal representatives.
- b. By those voluntary representatives of taxpayers with powers or authority to electronically submit declarations and self-assessments on their behalf to the State Tax Administration Agency or to represent them before it, under the terms established at any given time by the General Directorate of the State Tax Administration Agency.
- c. By persons or entities that, as provided for in article 92 of the LGT , have the status of social collaborators in the application of taxes and meet the requirements and conditions established for this purpose by the regulations in force at any given time.

In relation to the LGT see Law 58/2003, of December 17, General Tax.

When the electronic submission **is made by representatives or by duly authorized social collaborators**, they will be the ones who must have their electronic certificate.

To submit the electronic submission, **the taxpayer or, where applicable, the self-assessment filer** access the Draft or Declaration Processing Service.

For their part, those who have general and specific powers of attorney related to Form 100 and social collaborators can use the Renta WEB service to process the declaration of their representatives from the option available on the Form 100 processing page in the Electronic Office.

Likewise, persons or entities authorized to submit declarations electronically on behalf of third parties may use a computer program to obtain the file with the self-assessments to be transmitted from the option available on the processing page of form 100 in the Electronic Office of the State Agency of Tax Administration.

If the declaration is accepted, the State Tax Administration Agency will display the data from the declaration form on the screen. IRPFABBR corresponding to the declaration submitted, proof of submission, validated with a secure verification code which will show the date and time of submission that the declarant must print or file and keep.

If the self-assessed tax return was refused, the errors detected will be shown so that the taxpayer may correct them.

2. By electronic means via telephone

For this purpose, the taxpayer must provide, among other information, their Tax Identification Number (NIF), their reference number or Cl@ve Móvil, as well as the International Bank Account Code (IBAN) in which they wish to make the aforementioned direct debit. In the case of a joint declaration made by both spouses, it will also be necessary to communicate the NIF, as well as the spouse's reference number or Cl@ve Móvil.

Once the submission has been made, the State Tax Administration Agency will return the secure verification code associated with the submission.

For these purposes, the State Tax Administration Agency will adopt the necessary control measures to guarantee the identity of the taxpayers who communicate, confirm and submit the draft declaration.

The taxpayer can obtain proof of submission by accessing the electronic headquarters of the State Tax Administration Agency on the Internet, at the electronic address <https://sede.agenciatributaria.gob.es>, by using one of the following identification systems: recognized electronic certificate, reference number or Cl@ve Móvil system, eIDAS, or through the electronic document verification service of the Electronic Headquarters with the secure verification code that will have been provided to you after submission.

The telephone line **cannot be used** to confirm the draft declaration and carry out its submission **when the result of the same is to be paid and the taxpayer does not opt for direct debit** of the resulting amount or, where applicable, of the amount corresponding to the first installment. However, in these cases, the taxpayer may also make the payment through the payment document in a collaborating entity within the established period.

Note: Please note the Resolution of December 15, 2020, of the Tax Management Department of the State Tax Administration Agency, which enables procedures and actions through the telephone channel, using certain identification systems.

3. Personally

a) At the offices of the State Tax Administration Agency, exclusively for those taxpayers who meet the requirements listed in the electronic address of the State Tax Administration Agency, <https://sede.agenciatributaria.gob.es>, requesting an appointment, as well as in **the offices authorized by the Autonomous Communities, Cities with Statute of Autonomy and local entities** for confirmation of the draft declaration and its immediate electronic transmission.

In this case, the taxpayer will be given a copy of "Form 100." Document of entry or return of the declaration of IRPFABBR", as proof of the submission made or, where applicable, proof of submission with the data of the declaration form of IRPFABBR corresponding to the declaration submitted, validated with a secure verification code, which will show the date and time of the submission of the declaration.

b) At the offices of the Tax Administrations of the Autonomous Communities and Cities with Statutes of Autonomy that have signed a collaboration agreement with the State Tax Administration Agency, under the terms provided for in said agreement.

The statements of IRPFABBR that are carried out through the support services provided for in sections a) and b) above may be submitted, whatever their outcome, at the aforementioned offices for immediate electronic transmission to the State Tax Administration Agency.

Important: *the forms of presentation provided for in points 2 and 3 above may not be used to confirm the draft declaration and carry out its presentation when the result of the same is to be paid and the taxpayer does not opt for direct debit of the resulting income or, where applicable, of the income corresponding to the first installment. In these cases, the taxpayer may also make the payment through the payment document to a collaborating entity within the established period.*

Declarations may also be submitted in this way IRPFABBR of spouses not legally separated in which one of them requests the suspension of the income and the other expresses the waiver of the collection of the refund, whatever the final result of their declarations, to pay, to refund or negative.

Specialties in filing returns

1. Taxpayers of IRPFABBR that are covered by the current account system for tax purposes

The taxpayers of IRPFABBR Those who are covered by the current account system in tax matters, regulated in articles 138 to 143 of the General Regulation of the actions and procedures of tax management and inspection and development of the common rules of the procedures for the application of taxes, approved by Royal Decree 1065/2007, of July 27, will submit their declaration in accordance with the rules provided for in numbers One and Two of section six of the Order of September 30, 1999, which approves the model of application for inclusion in the current account system in tax matters, establishes the place of presentation of the tax declarations that generate debts or credits that must be recorded in said tax current account and develops the provisions of Royal Decree 1108/1999, of June 25, which regulates the current account system in tax matters.

2. Taxpayers who are also required to file a return for the Wealth Tax

Taxpayers who file a Wealth Tax return will be required to use the electronic method via the Internet to submit the return. IRPFABBR, and must use electronic means, via the Internet or telephone, to confirm, if applicable, the draft of the declaration of IRPFABBR.

3. Taxpayers with habitual residence abroad or displaced outside Spanish territory

Taxpayers who are habitually resident abroad and those who are outside the national territory during the deadlines for filing tax returns IRPFABBR They will be able to confirm and submit the draft declaration and, where applicable, make the payment or request the refund electronically, via the Internet or by telephone under the terms, conditions and in accordance with the procedure set out above.

4. **Statements from IRPFABBR of spouses not legally separated** in which one of them requests the suspension of the payment and the other expresses the waiver of the right to receive the refund

In the case of declarations of spouses not legally separated in which, under the provisions of article 97.6 of the Law of IRPFABBR If one of them requests the suspension of the payment and the other expresses the waiver of the right to receive the refund, the declarations corresponding to both spouses must be submitted simultaneously and jointly in the appropriate place depending on whether the final result of their declarations as a consequence of the application of the aforementioned procedure is to pay or to refund.

Cases requiring the submission of additional documentation along with the income tax return

1. **Taxpayers subject to the international tax transparency regime** They must submit together with the personal income tax return the data and documents indicated in article 91.11 of the Law on IRPFABBR, relating to each and every non-resident entity whose income must be included in the taxable base of IRPFABBR.
2. **Taxpayers who have made in the fiscal year [advance investments](#) of future allocations to the Canary Islands Investment Reserve** must be submitted together with the declaration of IRPFABBR a communication of the early materialization of the exercise and its financing system, in accordance with the provisions of article 27.11 of Law 19/1994, of July 6, modifying the Economic and Fiscal Regime of the Canary Islands.
3. **Taxpayers who have made in the fiscal year [advance investments](#) of future allocations to the reserve for investments in the Balearic Islands** must be submitted together with the declaration of IRPFABBR a communication of the early implementation of the exercise and its financing system, in accordance with the provisions of section 10 of the seventieth Additional Provision of 31/2022, of December 23, of the General State Budget for the year 2023 (BOE December 24).
4. **Taxpayers who request a refund by means of an uncrossed nominative check from the Bank of Spain:** must be submitted together with the declaration of IRPFABBR written document containing said request.
5. **Taxpayers who**, in accordance with the provisions of Article 89.1 of the Corporate Income Tax Law, **report the completion of merger or spin-off operations** in which neither the transferring entity nor the acquiring entity has its tax residence in Spain and in which the regime established in Article 84 of the aforementioned Corporate Income Tax Law does not apply, because the transferring entity does not have a permanent establishment located in this country, they must, in addition to entering in the corresponding box of the declaration form of IRPFABBR To opt for the special regime, as an affected resident partner, submit the following documents:
 - Identification of the entities participating in the operation and description thereof.
 - Copy of the public deed or equivalent document corresponding to the operation.

- In the event that the transactions were carried out through a public offer to acquire shares, a copy of the information prospectus must also be provided.

In all cases where additional documentation, documents or writings must be submitted and, in general, any others not expressly contemplated in the declaration models themselves that must be attached to it, may be submitted through the **Electronic Registry** of the State Tax Administration Agency regulated by the Resolution of December 28, 2009 (BOE of December 29). They may also be submitted at the **in-person Registry** of the State Tax Administration Agency and at any of the registries referred to in section 4 of article 16 of Law 39/2015, of October 1, on the Common Administrative Procedure of Public Administrations.

Descendants or ascendants who are included in the deductions for large families or dependents with disabilities must have a tax identification number.

When the deduction applicable to family units made up of tax residents in Member States of the European Union or the European Economic Area is applicable, it will be necessary for the members of the family unit to have a Tax Identification Number (NIF).

Other issues

Tax allocation to the Catholic Church

The Eighteenth Additional Provision of Law 42/2006, of December 28, on the General State Budget for the year 2007 (BOE of December 29), establishes that, effective from January 1, 2007 and indefinitely, the State will allocate 0.7 percent of the total quota of the support of the Catholic Church IRPFABBR corresponding to taxpayers who expressly state their will in this regard.

For these purposes, the full quota of IRPFABBR the one formed by the sum of the full state quota and the full regional quota, boxes **[0545]** and **[0546]** respectively, of the declaration.

Consequently, in the declaration of Personal Income Tax of the exercise 2025 Taxpayers may allocate 0.7 percent of their total tax liability to the financial support of the Catholic Church by marking the box with an "X". **[105]** of the statement.

Allocation of amounts to activities of general interest considered to be of social interest

In accordance with the provisions of the Seventy-second Additional Provision of the Law 31/2022, of December 23, on the General State Budget for the year 2023 (BOE December 24th), The State will allocate 0.7 percent of the total quota to subsidize activities of general interest considered to be of social interest. IRPFABBR of the exercise 2025, corresponding to taxpayers who expressly state their will in this regard.

For these purposes, the full quota of IRPFABBR the one formed by the sum of the full state quota and the full regional quota, boxes **[0545]** and **[0546]**, respectively, of the declaration model.

Please note that, in accordance with the provisions of Article 134.4 of the Spanish Constitution, the General State Budgets for 2023 are extended to 2025.

Consequently, in the declaration of IRPFABBR of the exercise 2025 Taxpayers may allocate 0.7 percent of their total tax liability to activities of general interest considered to be of social interest by marking the box with an "X". **[106]** of the statement.

According to Article 2 of Royal Decree-Law 7/2013, of June 28, on urgent measures of a tax, budgetary and research, development and innovation promotion nature (BOE of June 29) are the axes of the activities of general interest considered to be of social interest, and as such will be taken into account in the determination of the regulatory bases of the aid financed with the fixed percentage of the yield of IRPFABBR for other purposes of general interest considered to be of social interest, the following:

- a. Care for people with comprehensive social and health care needs.
- b. Attention to people with educational or job placement needs.
- c. Promoting citizen security and preventing crime.
- d. The environmental protection.
- e. Development cooperation.
- f. The promotion and modernization of the Third Sector of Social Action.

Within the framework of the guidelines established in the previous section, and in accordance with the provisions of Article II of the Agreement between the Spanish State and the Holy See on economic matters, of January 3, 1979, the amounts to be distributed, obtained from the allocation of the percentage of the yield of IRPFABBR For other purposes of social interest, they will be allocated to activities of general interest, understood as those that contribute to improving the quality of life of people and society in general and to protecting and conserving the environment, which may be declared by regulation as being of social interest. This percentage will be set annually in the General State Budget Law.

The aforementioned will be applicable by 2025 Additional Provision seventy-second of Law 31/2022, of December 23, on the General State Budget for the year 2023 (BOE December 24), which establishes that the total amount allocated in the budgets for activities of general interest considered to be of social interest will be distributed applying the following percentages: 77.72 percent to the Ministry of Social Rights, Consumption and Agenda 2030, 19.43 percent to the Ministry of Foreign Affairs, European Union and Cooperation and 2.85 percent to the Ministry for Ecological Transition and the Demographic Challenge. These percentages will be applied to the final settlement made in the 2025 financial year itself.

Please note that, in accordance with the provisions of Article 134.4 of the Spanish Constitution, the General State Budgets for 2023 are extended to 2025.

Note: *The tax allocation to the Catholic Church is independent and compatible with the tax allocation to activities of general interest considered to be of social interest. Therefore, the taxpayer may check both box **[105]** (tax allocation to the Catholic Church) and **[106]** (allocation of amounts to activities of general interest considered to be of social interest); either just one or none of them.*

The choice of any of the above options or the absence of choice will not have any economic cost for the taxpayer, so the amount to be paid or returned resulting from the declaration will not, under any circumstances, be modified .

Procedure for filing the declaration based on the result: to enter or to return

Once the declaration has been made by accessing the Draft/Declaration Processing Service for confirmation of the draft and/or submission of the declaration or, where appropriate, from the option available on the Form 100 procedures page at the Electronic Office of the State Tax Administration Agency for submitting declarations on behalf of third parties, depending on the result of the same (to be paid or returned) and whether or not the payment corresponding to the entire payment or the first instalment has been directly deposited, the following procedure must be followed:

a) Declaration with result to be paid, the total payment of which is not made by direct debit or when partial payment is made with a request for deferral or installment, compensation, recognition of debt or through delivery of assets of the Spanish Historical Heritage.

The declarant or, where applicable, the presenter must connect to the Electronic Office of the State Tax Administration Agency on the Internet, at the electronic address <https://sede.agenciatributaria.gob.es>, accessing the Draft or Declaration Processing Service. Next, you will complete or confirm, if applicable, the payment splitting and direct debit options for the second instalment, offering you two alternatives at the time of submission:

1. Enter Complete Reference Number (CRN) obtained previously after completing payment at the collaborating organisation and continue confirming and filing the pre-populated tax return.

For these purposes, the declarant or the presenter may obtain the Complete Reference Number (NRC) of the collaborating entity through any of the following means:

- Directly, either in their offices or through the electronic banking services they provide to their clients.
- Through the Electronic Office of the State Tax Administration Agency, electronically, using a recognized electronic certificate or by using the Cl@ve Mobile system.

2. Obtain a payment document with which payment can be made at a collaborating entity.

In both cases, if the declaration is accepted, the State Tax Administration Agency will display the data from the declaration form on the screen. IRPFABBR corresponding to the declaration submitted, proof of submission, validated with a secure verification code which will show the date and time of submission that the declarant must print or file and keep.

If the self-assessed tax return was refused, the errors detected will be shown so that the taxpayer may correct them.

b) Declaration with result to be paid, the total payment of which or the corresponding payment for the first installment is made by direct debit

Note: Taxpayers whose tax return is due for payment may make the direct debit payment to a non-collaborating entity belonging to the Single Euro Payments Area (SEPA).

See in this regard Order HFP /387/2023, of April 18, which modifies Order EHA /1658/2009, of June 12, which establishes the procedure and conditions for the direct debit of payment of certain debts through credit institutions that provide the service of collaboration in the collection management of the State Tax Administration Agency.

The transmission of the declaration will not require, beforehand, communication with the collaborating Entity to make the payment and obtain the NRC .

The transmission of the self-assessment, which will include the corresponding direct debit order, will be carried out in accordance with the provisions of the previous section.

In addition to the accepted declaration, as well as the payment or refund document, form 100, the taxpayer may keep the payment document for the second instalment, form 102, validated with a secure 16-character verification code which will contain, in addition to the date and time of filing the declaration, the direct debit order made and, where applicable, the payment instalment option chosen by the taxpayer.

Remember: If the declaration results in a payment, the taxpayer may, simultaneously with filing the declaration, set up a direct debit for the payment, make immediate electronic payment (after obtaining the Full Reference Number -NRC-), or may obtain a payment document that will allow him to make the payment at a collaborating entity.

c) Declaration with result to be entered when submitted with a request for deferral or installment payment, compensation, recognition of debt or request for payment through delivery of assets of the Spanish Historical Heritage .

The procedure for electronic submission of self-assessments referred to in this section has only the particularity that, once the submission of the declaration has been completed, the declarant or the person or entity authorised to electronically submit declarations on behalf of third parties will obtain, in addition to the secure verification code, a seventeen-character settlement key with which, if desired, they may request at that very moment, through the link enabled for that purpose, the deferral or fractionation or the compensation or, where appropriate, payment by delivery of assets of the Spanish Historical Heritage. You may also use the settlement code to submit these requests at a later time at the Electronic Office of the State Tax Administration Agency on the Internet, at the electronic address "<https://sede.agenciatributaria.gob.es>", through the "Pay, defer and consult" option in the Information and procedures section.

If the intention is to make payment of part of the total debt and, at the same time, request deferral or installment payment, compensation or request payment through delivery of assets of the Spanish Historical Heritage for the part of the debt not paid, the taxpayer may obtain the Complete Reference Number (NRC) of the collaborating entity in the manner provided for

in section a) above for the case of self-assessments with a result to be paid, when payment is not made by direct debit. When you confirm the draft, enter the NRC , also indicating the option or options that you will exercise later with respect to the amount not entered.

Note: Under no circumstances will the electronic filing of the declaration of IRPFABBR It will, in itself, be considered a request for compensation, deferral or installment payment of debt or a request for payment by delivery of goods from the Spanish Historical Heritage.

d) Declaration with result to be returned or negative

The procedure for submitting these declarations is similar to that previously mentioned for declarations with a result to be paid, with the exception that it will not be necessary to carry out the communication phase with the Collaborating Entity to make the payment and to obtain the NRC associated with it, nor the domiciliation phase in the Collaborating Entity of the payment.

The declarant must, where applicable, complete or confirm the unique account identifier, International Bank Account Number (IBAN) and proceed to confirm and submit it.

In the event that a refund is requested to an account opened abroad, the identifying details of said bank account will be communicated.

Note: In joint declarations made by both spouses, for their electronic submission it will also be necessary to communicate the NIF, as well as the reference number or "CI@ve Móvil" of the spouse. For these purposes, the State Tax Administration Agency will adopt the corresponding security protocol to guarantee the identity of the taxpayers who make the submission.

Payment of personal income tax debt

Regulations: Articles 97.2 Law IRPFABBR and 62.2 Regulation IRPFABBR

Note: Taxpayers whose tax return is due for payment may make the direct debit payment to a non-collaborating entity belonging to the Single Euro Payments Area (SEPA).

See in this regard Order HFP /387/2023, of April 18, which modifies Order EHA /1658/2009, of June 12, which establishes the procedure and conditions for the direct debit of payment of certain debts through credit institutions that provide the service of collaboration in the collection management of the State Tax Administration Agency.

If as a final result of the declaration of IRPFABBR If an amount to be paid is obtained, the taxpayer must pay that amount into the Public Treasury. To do so, you can choose to pay it in one go (in Renta WEB, "non-split payment") , or to split the amount (in Renta WEB, "split payment") , without interest or surcharge, in two installments under the conditions indicated in the following point.

To do so, you may choose one of the following entry methods:

Admission modalities available depending on the option chosen		Payment options available	
		WITHOUT fractionation	With 60/40 splitting
Direct debit of payment to a collaborating or non-collaborating credit institution		Yes.	Yes, the first and/or second term.
Electronic payment: • With charge to account • By card or through instant transfers made through secure e-commerce platforms (BIZUM) • Enter aNRC of a payment already made obtained directly from credit institutions or electronic banking		Yes.	Yes.
Other forms of admission	By going in person to a Bank/Savings Bank with the deposit document	Yes.	Yes.
	Recognition of debt (total or partial) with request for deferral	Yes.	No.
	Recognition of debt (total or partial) with request for compensation	Yes.	No.
	Acknowledgement of debt with request for payment through delivery of PHE assets	Yes.	No.
	Recognition of debt, and payment by bank transfer	Yes.	No.
	Recognition of debt with impossibility of payment	Yes.	No.

Payment options

One-time payment

Note: Taxpayers whose tax return is due for payment may make the direct debit payment to a non-collaborating entity belonging to the Single Euro Payments Area (SEPA).

See in this regard Order HFP /387/2023, of April 18, which modifies Order EHA /1658/2009, of June 12, which establishes the procedure and conditions for the direct debit of payment of certain debts through credit institutions that provide the service of collaboration in the collection management of the State Tax Administration Agency.

The single payment of the amount resulting from the declaration of IRPFABBR corresponding to 2025 can be carried out in **cash, through debit or charge to account either via direct debit, at any of the authorized collaborating entities (Banks, Savings Banks or Credit Cooperatives) located in Spanish territory** using any of the previously mentioned entry methods, the specializations of which are discussed in the following point, or in non-collaborating entities of the SEPA zone.

Payment in two installments: Special fractionation 60/40 percent

Note: No The payment of supplementary self-assessments may be split into two installments. IRPFABBR.

In order to qualify for this tax benefit of splitting the resulting payment, IRPFABBR in two installments: The first, 60% of its amount, at the time of filing the declaration, and the second, the remaining 40%, is essential:

- a. That the declaration is submitted within the established period and is not a supplementary self-assessment.
- b. That at the time of filing the declaration, 60% of the resulting amount is paid.

Precision: in the cases in which, under the provisions of Article 97.6 of the Law of IRPFABBR If the request for suspension of the payment of the tax debt resulting from the declaration made by a spouse does not reach the entire amount of said debt, the remainder of the tax debt may be paid in installments.

Specialty in case of confirmation and submission of the draft through the App

Payment of the amount of the resulting tax debt **must necessarily be made in two installments** by direct debit of both installments. Modifying this payment method in the App is only possible through Renta WEB in the Electronic Office.

Consequences of non-payment of the first installment (60%)

*Failure to pay on time the first fraction, that is, 60% of the amount of the tax debt resulting from the self-assessment, determines the **start of the enforcement period for the entire amount to be paid** resulting from the self-assessment.*

Methods of entry or payment

If the result of the declaration is to be paid, the taxpayer may make the payment using any of the following methods:

Direct debit of payment

Taxpayers will be able to set up direct debit for the tax debt resulting from the tax return. IRPFABBR either of its total amount or, if opting for the 60/40 split, of one of the fractions or both. In the latter case, if they chose direct debit as the form of payment, they must bear in mind that the direct debit of the second installment or fraction must be made in the same entity and account in which the first installment was direct debited.

The direct debit must be made at a credit institution that acts as a collaborator in the collection management (bank, savings bank or credit cooperative) located in Spanish territory in which the account to which the payment is domiciled is open in your name, subject to the following requirements and conditions. It can also be carried out at a non-collaborating credit institution belonging to the Single Euro Payments Area (SEPA Area).

Note: Taxpayers whose tax return is due for payment may make the direct debit payment to a non-collaborating entity belonging to the Single Euro Payments Area (SEPA).

See in this regard Order HFP /387/2023, of April 18, which modifies Order EHA /1658/2009, of June 12, which establishes the procedure and conditions for the direct debit of payment of certain debts through credit institutions that provide the service of collaboration in the collection management of the State Tax Administration Agency.

Which taxpayers can opt for direct debit?

- a. Those who submit the declaration electronically IRPFABBR .
- b. Those whose self-assessment is carried out through the assistance services provided at the offices of the AEAT, in the offices of the Tax Administrations of the Autonomous Communities and Cities with Statutes of Autonomy that have signed with the AEAT a collaboration agreement, and in those enabled for this purpose by the remaining Autonomous Communities, Cities with Statute of Autonomy and Local Entities for their immediate electronic transmission.

- c. Those who confirm the draft declaration of the IRPFABBR by electronic means, via the Internet or by telephone or at the aforementioned offices.

Deadline and conditions for making the direct debit and paying the debt according to the payment option chosen, split or non-split

Direct Debit Options	60/40 split payment	Payment NOT split
If you direct debit the total to be entered	- Deadline for direct debit: from the 8April until June 25th 2026both inclusive - Payment date: - First fraction (60%): June 30th 2026. - Second fraction: November 5th 2026.	- Deadline for direct debit: from the 8thApril until June 25th 2026both inclusive - Payment date: June 30th 2026.
If you direct debit only the first installment (60 percent)	- Deadline for direct debit: from the 8Apriluntil June 25th 2026both inclusive. <i>Note: provided you have set up a direct debit for the first installment, you can set up a direct debit for the second installment until the November 2nd2026including.</i> - Payment date: - First fraction (60%): June 30th 2026. - Second fraction (40%): until November 5th 2026. <i>Forms of payment for the 2nd installment: electronically or directly at any bank that meets the requirements indicated .</i>	-
If you direct debit only the second installment (40 percent)	- Deadline for direct debit: until June 30th 2026inclusive. - Payment date: November 5th 2026.	-

Payment procedure

Individuals or entities authorized to electronically submit tax returns on behalf of third parties, in accordance with the provisions of articles 79 to 86 of the General Regulations on actions and procedures for tax management and inspection and the development of the common rules for the procedures for the application of taxes, approved by Royal Decree 1065/2007, of July 27, and in Order HAC /1398/2003, of May 27, which establishes the cases and conditions under which social collaboration in the management of taxes may be made effective, and which expressly extends this to the electronic submission of certain tax return forms and other tax documents, may, by this means, forward the direct debit orders that have previously been communicated to them by the third parties they represent.

Payments will be deemed to have been made on the date of direct debit from the account, and proof of payment will be considered to be the one issued for this purpose by the credit institution where the payment is domiciled.

In addition to the accepted declaration, as well as the payment or refund document, form 100, the taxpayer may keep the payment document for the second instalment, form 102, validated with a secure 16-character verification code which will contain, in addition to the date and time of filing the declaration, the direct debit order made and, where applicable, the payment instalment option chosen by the taxpayer.

In the event that the direct debit is made to an entity that does not collaborate with the Single Euro Payments Area (SEPA Area), payments will be deemed to have been made in accordance with the provisions of section 5 of article 5 bis of Order EHA /1658/2009, of June 12, which establishes the procedure and conditions for the direct debit of payment of certain debts through credit institutions that provide the service of collaboration in the collection management of the State Tax Administration Agency. In this case, proof of payment must be obtained in accordance with the provisions of section 6 of article 5.bis of the aforementioned Order EHA /1658/2009, of June 12.

Electronic payment (payment by direct debit; payment by card or through instant transfers made through secure e-commerce platforms (bizum); and NRC of a payment already made)

Electronic payment is understood as a financial transaction carried out through digital means without the need to use cash or checks.

Through it, the taxpayer will be able to make the immediate the debt, in one go or in installments (60/40 per 100) by selecting the Electronic Payment option at the time of filing the declaration, available for those declarations whose result involves an income and for which direct debit has not been selected as the payment method (charge on June 30).

Under this option, Renta WEB offers three payment methods, which will be analyzed below:

- Pay by direct debit.
- Pay by card or through instant transfers made through secure e-commerce platforms (BIZUM).

- Enter NRC of a payment already made, obtained directly from credit institutions or online banking.

Both to make the payment and to obtain the NRC , it is an essential requirement that the person ordering the payment be the **holder** of the account in which the charge will be made, except in the case of being authorized to order debits in an account owned by the obliged party.

From the 2024 Income Tax Campaign, payment can be made through instant transfers made through secure electronic commerce platforms (BIZUM) and credit or debit card under secure electronic commerce conditions.

Note: *If the declaration is to be submitted with an electronic certificate, the certificate must be from the owner, a representative or a social collaborator .*

As noted, once the electronic payment option has been selected as the payment method, you can choose between the following payment methods:

1. Payment by direct debit:

When paying by direct debit, you must provide the code IBAN where the charge will be made, although it is possible that you will be offered the option of making the payment to an account that has been used previously, in which case you will only have to tick the corresponding box. You can also consult a list of Collaborating Entities that offer the option of paying self-assessments by direct debit.

If you are making the payment on behalf of a third party using the bank account of the holder of the declaration (the party obliged to make the payment), you must be authorized by the party obliged to carry out this operation.

The registration of this power of attorney can be done via the internet provided that the grantor (who must be the taxpayer) has an electronic certificate or Cl@ve Móvil if he/she is a natural person. The specific authority to carry out this type of procedure is "PAGOAPODECCC - Payment by direct debit".

A summary of the data entered will then be displayed, allowing you to proceed with ordering the payment. As a result, you will be able to view the assigned NRC in order to complete the filing of the declaration.

Once you have obtained the NRC you must complete the submission of the declaration by clicking the "Submit Declaration" button.

2. Payment by card or instant transfers made through secure e-commerce platforms (BIZUM)

- Card payment

In this case, the taxpayer must enter the details of the card with which they wish to pay the debt.

A summary of the data entered will then be displayed, allowing you to proceed with ordering the payment.

- Payment via instant transfers made through secure e-commerce platforms (BIZUM)

As in 2024, in cases where the declaration results in a payment due, the taxpayer may make the payment through instant transfers made through secure electronic commerce platforms (BIZUM).

3. "NRC of a payment already made", obtained directly from credit institutions or electronic banking.

Once Electronic Payment has been selected as the payment method, the declarant or the presenter may not have an electronic certificate. ID card electronic or Cl@ve Móvil, in which case, you can obtain the Complete Reference Number (NRC) of the collaborating entity through one of the following means:

- Directly, by going to an office of your Bank and providing all the data relating to the self-assessment (form, fiscal year, period, NIF of the taxpayer, surname and exact amount of the payment).
- Through the electronic banking services that they provide to their clients.

After making the payment to the collaborating entity, the taxpayer can complete the confirmation and submission process of the draft declaration by entering, where applicable, the NRC of the payment already made and provided by their bank.

Remember: *In any case, once payment has been made, the declaration must be submitted (except in the case of form 102, which does not allow electronic submission).*

Other forms of admission

1. In-person payment at a bank branch with a deposit document

By selecting this payment method, the taxpayer will submit their declaration through the electronic office of the AEAT and must go to a collaborating entity to make the payment through the payment document.

If the declaration is accepted, the State Tax Administration Agency will display the data from the declaration form on the screen. IRPFABBR corresponding to the declaration submitted, proof of submission, validated with a secure verification code which will show the date and time of submission that the declarant must print or file and keep.

If the self-assessed tax return was refused, the errors detected will be shown so that the taxpayer may correct them.

2. Recognition of debt (total or partial) with request for deferral

This debt payment option is only available online and for cases in which the taxpayer does not wish to split the payment.

This procedure has the particularity that, once the declaration has been submitted, a debt will be recognized for the total or partial amount of the declaration, and the declarant or the person authorized to submit declarations electronically on behalf of third parties will obtain, in addition to the secure verification code, a seventeen-character settlement key for the debt that must be used to make said request effective through the link enabled for this purpose.

This request for deferral may be made at the time of filing the declaration or at a later time at the Electronic Office of the State Agency for Tax Administration via the Internet, at the electronic address <https://sede.agenciatributaria.gob.es>, through the option "Pay, defer and consult", in the Information and procedures section.

3. Recognition of debt (total or partial) with request for compensation

As in the previous case, this payment option is only available online and for cases in which the taxpayer does not wish to split the payment of the debt.

Likewise, at the time of electronic submission of the declaration, a debt will be recognized for the total or partial amount of the declaration, having expressed the intention to request a payment offset, with the specialty indicated in the previous case, that is, once the presentation of the declaration has been completed, the declarant or the person authorized to electronically submit declarations on behalf of third parties will obtain, in addition to the secure verification code, a seventeen-character settlement key for the debt that must be used to make said request effective through the link enabled for this purpose.

This compensation request may be made at the time of filing the declaration or at a later time at the Electronic Office of the State Agency of the Tax Administration via the Internet, at the electronic address <https://sede.agenciatributaria.gob.es>, through the option "Pay, defer and consult", in the Information and procedures section.

4. Recognition of debt (total or partial) with payment through delivery of assets that are part of the Spanish Historical Heritage

Regulations: Articles 97.3 Law IRPF and 62.3 Regulation IRPF

Payment of the tax debt may be made by handing over assets that are part of the Spanish Historical Heritage and are registered in the General Inventory of Movable Property or in the General Register of Assets of Cultural Interest, in accordance with the provisions of article 73 of Law 16/1985, of June 25, on the Spanish Historical Heritage.

Taxpayers who intend to use this in-kind payment method to settle debts for the IRPFABBR The Administration must follow the procedure established for this purpose by Article 40 of the General Collection Regulations, approved by Royal Decree 939/2005, of July 29 (BOE September 2nd). The procedure for the electronic submission of self-assessments with a result to be entered with a request for payment through delivery of assets of the Spanish Historical Heritage is regulated in article 10 of Order HAP /2194/2013, of November 22, which

regulates the procedures and general conditions for the submission of certain self-assessments, information returns, census returns, communications and refund requests, of a tax nature.

Note: Under no circumstances will the electronic filing of the declaration of IRPFABBR It will, in itself, be considered a request for compensation, deferral or installment payment of debt or a request for payment by delivery of goods from the Spanish Historical Heritage.

5. Acknowledgement of debt , and payment by bank transfer

Note: Taxpayers whose tax return is due for payment may make the direct debit payment to a non-collaborating entity belonging to the Single Euro Payments Area (SEPA).

See in this regard Order HFP /387/2023, of April 18, which modifies Order EHA /1658/2009, of June 12, which establishes the procedure and conditions for the direct debit of payment of certain debts through credit institutions that provide the service of collaboration in the collection management of the State Tax Administration Agency.

Taxpayers who do not have an open account with any of the credit institutions that act as collaborators in the tax collection process You can make the payment of the entire tax debt resulting from the declaration of IRPFABBR, prior recognition thereof, by bank transfer, in accordance with the provisions of the Resolution of January 18, 2021, of the General Directorate of the State Tax Administration Agency, which defines the procedure and conditions for the payment of debts by transfers through collaborating entities in the collection management entrusted to the State Tax Administration Agency.

In the event that it is detected that the transfer has been made from an account opened in a collaborating entity of AEAT , said transfer will be returned to its original account and the payment made will not produce any effect, with the legal consequences that this could entail on the settled/self-assessed debt. In this case, you must choose another payment method.

Further information on this payment procedure by bank transfer can be found on the Electronic Headquarters website of the AEAT.

Likewise, as previously stated, in cases where you do not have an open account in any credit institution that acts as a collaborator in the collection management, you may make the payment by direct debit in an account opened in a non-collaborating entity of the Single Euro Payments Area (SEPA Area) under the terms provided for in Order EHA /1658/2009, of June 12.

6. Partial income with recognition of debt due to inability to pay

Taxpayers who do not wish to pay the debt in installments may pay part of the amount and request recognition of the debt with the impossibility of paying the remaining amount.

To do so, you must indicate on the one hand the amount you wish to pay, providing the Full Reference Number (NRC) corresponding to said amount, provided by your bank office or obtained through any of the electronic tax payment methods with collaborating entities that were previously explained and, on the other hand, the amount for which you wish to acknowledge debt.

In this way, at the time of electronic submission of the declaration, a debt will be recognized for the amount pending payment, and the declarant or presenter will obtain a seventeen-character debt settlement code with which he or she may request the deferral or offset of the previous amount, at that same time or later through the Electronic Office of the State Agency of the Tax Administration through the option "Pay, defer and consult", in the Information and procedures section.

Other forms of payment and/or extinction of tax debts

Extinction by annotation in the current account system in tax matters

The tax debt resulting from the declaration of IRPFABBR It may be extinguished by compensation through an entry in the current account system for tax matters.

To that end, taxpayers of IRPFABBR Those who are covered by the current account system in tax matters regulated in articles 138 to 143 of the General Regulation of the actions and procedures of tax management and inspection and development of the common rules of the procedures for the application of taxes, approved by Royal Decree 1065/2007, of July 27, will submit their declaration in accordance with the rules provided for in section six of the Order of September 30, 1999, which approves the application form for inclusion in the current account system in tax matters, establishes the place of presentation of tax declarations that generate debts or credits that must be recorded in said tax current account and develops the provisions of Royal Decree 1108/1999, of June 25, which regulates the current account system in tax matters.

Extinction by compensation with recognized tax credits

Tax debts resulting from the declarations of IRPFABBR They may also be extinguished by offsetting with tax credits recognized by administrative act in favor of the same taxpayer, under the terms provided in Articles 71 et seq. of the LGT and in accordance with the conditions and procedure established in Articles 55 et seq. of the General Collection Regulations.

In relation to the LGT see Law 58/2003, of December 17, General Tax.

Cases of special division due to death and loss of taxpayer status due to change of residence

Regulations: Articles 97.5 Law IRPFABBR and 63 Regulation IRPFABBR

In addition to the general assumption discussed above, the regulations governing the IRPFABBR It contemplates two special fractionation scenarios:

- a. Death of the taxpayer.
- b. Loss of taxpayer status due to change of residence.

In both cases, all income pending attribution must be included in the taxable base of the last tax period that must be declared by the IRPFABBR.

Therefore, the successors of the deceased or the taxpayer may request the fractionation of the part of the tax debt corresponding to said income.

The splitting will be governed by the rules provided for by the General Collection Regulations, approved by Royal Decree 939/2005, of July 29, with the following specialties:

- a. Applications must be made within the statutory declaration period.
- b. The applicant must offer a guarantee in the form of a joint guarantee from a credit institution or mutual guarantee company or a surety insurance certificate.

Procedure for suspending the payment of personal income tax debt without late payment interest

Regulations: Art. 97.6 Law IRPFABBR and 62.1 Regulation IRPFABBR

Marriages that are not legally separated and choose to pay taxes individually and in which one of the returns results in a payment and the other with a right to a refund, may avail themselves of this procedure by which the taxpayer whose return is positive can request the suspension of the payment of his tax debt, without late payment interest, in the maximum amount allowed by the amount of the refund resulting from the return of his spouse, on condition that the latter waives the collection of the same in an amount equal to the amount of the debt whose suspension has been requested by the former.

The suspension will be provisional until the tax authorities recognise the right to a refund in favour of the spouse as a result of the amount of the same.

Requirements for obtaining provisional suspension

- a. The taxpayer whose declaration results in a refund must waive the collection of the refund up to the amount of the debt whose suspension has been requested by his/her spouse, also accepting that the amount of the waiver be applied to the payment of said debt.
- b. Both declarations, that of the taxpayer requesting the suspension and that of the spouse waiving the refund, must correspond to the same tax period and must be submitted simultaneously and jointly, within the established deadline.
- c. Neither spouse may be covered by the tax current account system regulated in articles 138 to 140 of the General Regulations on actions and procedures for tax management and inspection and the development of common rules for procedures for the application of taxes, approved by Royal Decree 1065/2007, of July 27 (BOE of September 5).

- d. Both spouses must be up to date with their tax obligations, in accordance with the terms set forth in article 18 of the Regulations of Law 38/2003, of November 17, General Subsidies, approved by Royal Decree 887/2006, of July 21 (BOE of July 25).

How to request suspension

To request the suspension, the spouse whose declaration is to be filed must complete and sign the corresponding section of his or her declaration. In addition, when filling out the income document (form 100), you must mark with an "X" the box **[7]** in the "Declaration summary" section.

Likewise, the spouse whose declaration is subject to a refund must complete and sign the corresponding section of his/her declaration, and must also mark with an "X" box **[7]** in the "Declaration Summary" section of his/her payment or refund document (form 100).

Possibility of domiciliating the payment of the non-suspended part of the tax debt

If the positive result of the declaration is greater than the amount for which suspension is requested, the payment of the excess may be split into two installments, of 60 and 40 percent respectively, and the payment of each of these installments may also be made by direct debit from an account, in accordance with the general procedure established in the previous section for the payment of IRPFABBR.

Effects of unfounded requests for suspension

When suspension is not applicable due to failure to meet the above-mentioned requirements, the Administration will carry out a provisional liquidation to the taxpayer who requested it for the amount of the debt that is the subject of the request together with the late payment interest calculated from the date of expiration of the period established for filing the declaration until the date of the aforementioned provisional liquidation.

Effects on the suspended debt of the recognition of the right to reimbursement in favor of the spouse

- a. If the recognised refund is equal to the suspended debt, the latter will be completely extinguished, as will the right to the refund.
- b. If the recognised refund is greater than the suspended debt, the latter will be declared fully extinguished and the Administration will proceed to return the difference between both amounts.
- c. If the recognised refund is less than the suspended debt, the latter will be declared extinguished in the concurrent part, with the Administration carrying out a provisional liquidation to the spouse who requested the suspension for the amount of the difference together with the late payment interest calculated from the date of expiration of the period established to present the declaration until the date of the aforementioned provisional liquidation.

Important: By express legal provision, it shall be deemed that there is no lucrative transfer for tax purposes between spouses for the amount that, proceeding from the refund of one of them, is applied to the payment of the debt of the other.

Refunds derived from personal income tax regulations

In general: refunds derived from personal income tax regulations

Regulations: Article 103 of the Law IRPFABBR

If as a final result of the declaration of IRPFABBR Whether this consists of a self-assessment or a duly confirmed draft declaration, if an amount is due to be refunded, the taxpayer may request the refund of said amount.

In accordance with the provisions of Article 103 of the Law of IRPFABBR, **This amount will be, at most, the sum of the withholdings actually made, the payments on account and the installment payments made from IRPFABBR** as well as the **Non-Resident Income Tax quotas** satisfied by taxpayers who have acquired this status due to a change of residence, plus the corresponding amount, if applicable, to the maternity deduction regulated in Article 81 of the Law of IRPFABBR and/or to the **deduction for large families or dependent persons with disabilities** provided for in article 81 bis of the Law of IRPFABBR.

How do I return?

The refund is not automatic. The taxpayer must expressly request it through the “**Income or Refund Document**” (**form 100**) that accompanies the forms for the actual declaration.

In general, the refund is made by bank transfer to the account that the taxpayer indicates as his/her ownership in the aforementioned payment or refund document, although payment by check may be authorized.

Therefore, it is extremely important that the complete details of the account in which you wish to receive the refund are correctly filled out in the corresponding section of the aforementioned document.

Payment of the amount to be refunded will be made by bank transfer to the bank account that the taxpayer or his authorized legal representative indicates as his ownership in the tax self-assessment, without the taxpayer being able to demand any liability in the event that the refund is sent to the bank account number designated by him.

See in this regard section 1 of article 132 of the General Regulation of the actions and procedures of tax management and inspection and development of the common rules of the procedures for the application of taxes, approved by Royal Decree 1065/2007, of July 27, modified by article 1. Seven of Royal Decree 1615/2011, of November 14, which introduces modifications in the matter of formal obligations in the aforementioned Regulation (BOE of November 26).

However, when the taxpayer does not have an account open in any collaborating Entity or there are any circumstances that justify it, he/she may request that the refund be made by means of an uncrossed personal cheque from the Bank of Spain. To do so, the taxpayer must submit a document containing said request as additional documentation for the declaration, either through the electronic registry of the State Tax Administration Agency, at the electronic address of the State Tax Administration Agency, <https://sede.agenciatributaria.gob.es/>, accessing the procedure for providing complementary documentation corresponding to the declaration, or at the in-person registry of the State Tax Administration Agency. Once the document has been received and the relevant checks have been made, the appropriate refund may be authorised by means of an uncrossed personal cheque.

When is it returned?

The Administration has six months, from the end of the deadline for submitting declarations, or from the date of submission if the declaration was submitted after the deadline, to carry out the provisional liquidation that confirms, or rectifies, the amount of the refund requested by the declarant.

If the provisional settlement has not been carried out within the aforementioned period of six months, the Administration will proceed to return ex officio the excess of payments on account over the self-assessed fee, without prejudice to the practice of subsequent settlements, provisional or definitive, that may be appropriate.

After the six-month period has elapsed without the payment of the refund having been ordered for a reason attributable to the tax authorities, the tax late payment interest will be applied to the amount pending refund from the day following the end of said period and until the date on which its payment is ordered, without the taxpayer needing to claim it.

Finally, it should be noted that, if errors or omissions are detected in the declaration, the tax authorities may rectify the result of the liquidation carried out by the taxpayer through the corresponding provisional liquidation, modifying the amount of the refund requested or determining that it is inadmissible.

In the event that such provisional liquidation takes place, it will be notified to the taxpayer by regulation, who may lodge appeals against it as provided for in current tax legislation. All of this, without prejudice to the fact that, after the provisional liquidation has been carried out, new limited verification actions may be carried out by the Tax Management bodies, as well as inspection actions, in both cases, when new facts or circumstances have been discovered that result from actions other than those carried out and specified in the provisional liquidation.

Note: *The tax authorities shall not be liable for any delay when the refund cannot be processed within the specified period due to the declaration not being correctly completed in all its aspects, not containing the required documentation, or the details of the account to which the amount must be transferred being missing or incorrect.*

Special case: refund request in the case of taxpayers who died during 2025

In the case of taxpayers who died during 2025, the IRPFABBR It will accrue on the date of death and the tax period will be less than a calendar year.

See Chapter 2 of this Manual, section " [Accrual and tax period](#) ".

In this case, it is the heirs of the deceased who are obliged to fulfill the outstanding tax obligations. IRPFABBR, excluding penalties, in accordance with Article 39.1 of the LGT.

In relation to the LGT see Law 58/2003, of December 17, General Tax.

To do so, they must submit the deceased's individual tax return and include the income obtained up to the time of his death, making, where appropriate, payment of the resulting debt.

Now, if the result of said declaration is to be returned, in order for said refund to be made to the successors, in accordance with article 107.6 of the General Regulation of the actions and procedures of tax management and inspection and development of the common rules of the procedures for the application of taxes approved by Royal Decree 1065/2007, of July 27, the proportion that corresponds to each one must be accredited in accordance with the provisions of the specific legislation, for the purposes of proceeding to the recognition of the right and the payment or compensation of the refund, except when it is a question of duly identified vacant inheritances, in which case the refund will be recognized and paid to the vacant inheritance.

To process the request for a refund and obtain payment, the State Tax Administration Agency makes available to heirs a voluntary form whose sole purpose is to facilitate the provision of the information and documentation considered necessary to process the request for a refund of personal income tax for a deceased person. This optional form is the model H-100 form ("Request for refund payment to heirs"), available at the electronic headquarters of the State Tax Administration Agency, at the electronic address <https://sede.agenciatributaria.gob.es>.

The following documentation must be provided with the application:

- **For amounts less than or equal to 2,000 euros:**

- Death certificate.
- Complete Family Book or Electronic Record Accrediting the family situation.
- Certificate of Registration of Last Wills.
- Will (only if it appears in the certificate of last will and testament) or Notarial Deed of Declaration of Heirs.
- In the event that there is only one heir, a bank certificate of ownership of an account in his name.
- In the event that there are several heirs and you wish the refund amount to be paid to one of them, written and signed authorization with a photocopy of the DNI of all of them, and a bank certificate of ownership of an account in their name.
- In the event that there are several heirs and it is desired that the refund amount be paid to all the heirs, a bank certificate of ownership of the bank account in the name of all of them.

- **For amounts over 2,000 euros:**

- Death certificate.
- Complete Family Book or Electronic Record Accrediting Family Situation.
- Certificate of Registration of Last Wills.
- Will (only if included in the certificate of last wishes) or Notarial Deed of Declaration of

Heirs.

- Proof of having declared the amount of the refund in the Inheritance and Gift Tax.
- In the event that there is only one heir, a bank certificate of ownership of an account in his name.
- If there are multiple heirs and you want the refund to go to one of them, you must provide a Power of Attorney authorizing them to collect the refund and a bank certificate proving ownership of an account in their name.
- If there are several heirs and you wish the refund amount to be paid to all of them, please provide a bank certificate proving ownership of the bank account in all of their names.

Rectification of errors or omissions suffered in declarations already submitted

It may happen that, once the declaration has been submitted IRPFABBRWhether this consists of a self-assessment or a duly confirmed draft declaration, the taxpayer notices errors or omissions in the declared data. Well, as of March 14, the date of approval of Order HAC/242/2025 of March 13, which approves the tax return forms for Personal Income Tax and Wealth Tax for the 2024 tax year, the effective application of the amended self-assessment is established as the sole system for correcting self-assessments within the scope of Personal Income Tax. This new rectification system is configured as the general procedure for modifying Personal Income Tax returns corresponding to the 2024 tax year and subsequent years., for errors or omissions that cause harm to the Public Treasury or to the taxpayer himself.

Therefore, as **general rule**To rectify, complete or modify the self-assessments submitted for Personal Income Tax 2025, whether to their detriment or not, taxpayers must submit a corrective self-assessment, using the Personal Income Tax declaration model for this purpose.

As an **exception**, when the reason for the rectification of the self-assessment is exclusively the reasoned allegation of a possible violation by the rule applied in the previous self-assessment of the precepts of another rule of higher legal, constitutional, European Union law or an international Treaty or Convention, rectification may be requested through the procedure provided for in article 120.3 of the LGT, and developed in articles 126 to 128 of the RGAT, or a corrective self-assessment may be submitted.

If it is necessary to initiate this procedure, you can consult the phases of it in the 2023 Income Tax Manual or the manual for the year to which the corresponding modification refers.

However, if this reason occurs alongside other reasons of a different nature, the taxpayer must submit a corrective self-assessment for the latter.

This procedure for regularizing previously submitted declarations is discussed in Chapter 18 in the section "[Regularization of tax situations: the corrective self-assessment](#)"

Note: when the taxpayer wants to file a second (or later) declaration through the Renta WEB program, that modifies a previously filed declaration, Regardless of the error or omission in question, you must incorporate the corresponding modifications and tick the box provided for this purpose from the option "Modification of a submitted declaration" by advancing through the program's pagination or from the "Sections of the declaration" button, by choosing the option "Modify Income Tax Return 2025already submitted". Once marked, and including the result of the initial declaration, the program will redirect you to the corresponding type of regularization. See chapter 18 of this manual.

Support services for the 2025 Income Tax Campaign

The State Tax Administration Agency provides taxpayers with the following support services during the Income Tax Campaign 2025:

WEB RENT. At the Tax Agency's electronic headquarters on the Internet

(<http://sede.agenciatributaria.gob.es>), accessing "Rental Campaign 2025 Through the "Draft/Declaration Processing Service (Income Tax WEB)", you can obtain your draft declaration, modify and/or confirm it, as well as complete and carry out the electronic submission of the self-assessment.

To access this service you need an electronic certificate or ID card electronic, Cl@ve Móvil or the reference number that the taxpayer will have to request beforehand from the RENØ Service (reference number) or obtain it through the Tax Agency app.

RENT INFORMATION . On the phone 91 554 87 70(Monday to Friday, from 9 a.m. to 7 p.m.). Personalized attention to clarify any doubts you may have when completing your income tax return.

Through the Virtual Income Tax Assistant, accessible all year round at the Agency's headquarters on the Internet, which offers answers to queries made in natural language. If the taxpayer needs more information, he/she can access a chat service available from 9 a.m. to 7 p.m. Monday to Friday and attended by specialists from the ADI .

ASSISTANCE AND APPOINTMENT FOR RENTAL 2025. To prepare the income tax return 2025:

- **By phone "We'll call you" from the Tax Agency** from the May 6, with appointments available from April 29th until June 29 of 2026 by one of the following **roads**:
 - **Internet**, at the Tax Agency's Electronic Office or in the Tax Agency App.
 - **Phone 91 553 00 71**(Monday to Friday, from 9 a.m. to 7 p.m.). Personalized attention.
 - **Phone 91 535 73 26**(automatic, 24 hours).
- **In offices** of the Tax Agency and collaborating entities (such as autonomous communities and cities with Statutes of Autonomy) since June 1st, with appointments available from May 29th until June 29 of 2026 by one of the following **roads**:
 - **Internet**, at the Tax Agency's Electronic Office or in the Tax Agency App.
 - **Phone 91 553 00 71**(Monday to Friday, from 9 a.m. to 7 p.m.). Personalized attention.

APP "TAX AGENCY ". From a mobile device By downloading the free "Tax Agency" application, the taxpayer will have direct access to various procedures and the Income Tax WEB service to file their Income Tax return. 2025.

Chapter 2. Personal Income Tax (IRPF): general questions

The Personal Income Tax (IRPF)

Nature of IRPFABBR

Regulations: Art. 1 Law IRPFABBR

Personal Income Tax (hereinafter, IRPF) is a personal and direct tax that taxes, according to the principles of equality, generality and progressivity, the income of individuals in accordance with their nature and personal and family circumstances.

What is meant by "income" for the purposes of IRPFABBR?

Regulations: Article 2 of the Law IRPFABBR

The taxpayer's income, which is the object of personal income tax, is legally defined as the totality of his **returns, capital gains and losses**, as well as the income imputations established by law, regardless of the place where they were produced and whatever the residence of the payer.

Treatment of personal and family circumstances in the IRPFABBR

The personal and family minimum constitutes the part of the taxable base that, because it is used to cover the vital needs of the taxpayer and the people who depend on him, is not subject to taxation.

Scope of application of IRPFABBR

Regulations: Articles 4 and 5 of the Law IRPFABBR

He IRPFABBR It applies throughout the Spanish territory, with the special provisions for the Canary Islands, Ceuta and Melilla and without prejudice to the special tax regimes of the economic agreement and convention in force, respectively, in the Historical Territories of the Basque Country and in the Chartered Community of Navarre.

All of this without prejudice to the provisions of international treaties and agreements that have become part of the internal legal system, in accordance with Article 96 of the Spanish Constitution.

Partial transfer of personal income tax to the Autonomous Communities

Introduction

Regulations: Article 3 of the Law IRPFABBR

Since January 1, 2009, the partial transfer of IRPFABBR its maximum limit is **50 percent of the output produced in the territory of each Autonomous Community**, in accordance with the provisions of Article Eleven of Organic Law 8/1980, of September 22, on the Financing of the Autonomous Communities (LOFCA), last amended by Organic Law 9/2022, of July 28 (BOE July 29).

The current financing system of the Autonomous Communities is articulated in Law 22/2009, of December 18, which regulates the financing system of the Autonomous Communities of the common regime and Cities with Statute of Autonomy and modifies certain tax regulations (BOE of December 19).

The aforementioned law establishes, effective from 1 January 2010, the regulatory powers assumed by the Autonomous Communities in the IRPFABBR and the corresponding modifications to the regulations of this tax are introduced, with the same time validity, to adapt its structure to the new financing system.

Regulatory powers of the Autonomous Communities under the common regime in the Personal Income Tax in the 2025 fiscal year

According to article 46 of Law 22/2009, of December 18, the regulatory powers that can be assumed by the Autonomous Communities of the common regime are the following:

a. Amount of the personal and family minimum applicable for the calculation of the regional tax

For these purposes, the Autonomous Communities may establish increases or decreases in the amounts corresponding to the taxpayer's minimum and the minimums for descendants, ascendants and disability referred to in articles 57, 58, 59 and 60 of Law 35/2006, of November 28, of IRPFABBR, **with a limit of 10 percent for each of the amounts**. See in this regard the minimums approved by the Autonomous Communities in [Chapter 14](#).

b. Regional scale applicable to the general taxable base

In accordance with the provisions of Article 46.1 b) of Law 22/2009, of December 18, the only requirement for its approval is that the structure of this scale be progressive. See in this regard the regional scales applicable to the general taxable base in [Chapter 15](#).

c. Deductions in the autonomous integral quota for

- **Personal and family circumstances, for non-business investments and for application of income**, provided that they do not directly or indirectly imply a reduction in the effective tax rate of one or more categories of income.
- **Non-exempt public subsidies and aid** received from the Autonomous Community, with the exception of those that affect the development of economic activities or income that is integrated into the savings base.

In relation to these deductions, the regulatory powers of the Autonomous Communities will also include the determination of:

- The justification required to be able to practice them.
- The deduction limits.
- Whether or not the requirement to verify the financial situation is met.
- The special rules that, where applicable, must be taken into account in cases of joint taxation, tax period less than a calendar year and determination of family situation. If the Autonomous Community does not regulate any of these matters, the rules provided for these purposes in the Law of IRPFABBR.

The regional tax deductions applicable in the 2025 tax year, are collected in the [Part 2](#) of this Practical Manual.

d. Increases or decreases in the percentages of the regional section of the deduction for investment in habitual residence (no effect since January 1, 2013)

With effect from 1 January 2013, the deduction for investment in primary residence was eliminated, although a transitional regime was established for taxpayers who had been enjoying this deduction prior to the indicated date. This system allows them to continue applying the aforementioned deduction in accordance with the provisions of the Law on the IRPFABBR in its wording in force as of December 31, 2012, without prejudice to the deduction percentages that, in accordance with the provisions of Law 22/2009, may have been approved by the Autonomous Community.

The deduction percentages applicable in the autonomous section of the deduction for investment in habitual residence in the Autonomous Community of Catalonia are discussed in Chapter 16 within the section relating to "[Deduction for investment in habitual residence: Transitional regime](#)" as well as in Part 2 of this Practical Manual when examining the deductions of the Autonomous Community of Catalonia.

Participation of the Autonomous Communities and Cities with Statute of Autonomy in the management of personal income tax

The participation of the Autonomous Communities with the State Tax Administration Agency, the administrative organization responsible on behalf of and for the State for the effective application of the state tax and customs system, is carried out through the following bodies,

regulated in articles 65 and 66 of Law 22/2009:

Superior Council for the Management and Coordination of Tax Management

The Higher Council for the Direction and Coordination of Tax Management is the collegiate body, made up of representatives of the State Tax Administration and of the Autonomous Communities and Cities with Statute of Autonomy, responsible for coordinating the management of transferred taxes.

This body is chaired by the President of the State Tax Administration Agency and is made up of the General Director of the State Tax Administration Agency, who will hold the First Vice-Presidency, five representatives of the State Tax Administration Agency, the heads of the General Secretariat of the Treasury, the General Secretariat of Territorial Financing and the General Inspection of the Ministry of Economy and Treasury (currently, the Ministry of Treasury) and one representative from each of the Autonomous Communities under the common regime and from the Cities with a Statute of Autonomy, one of whom will be appointed by them each year to hold the Second Vice-Presidency.

Those Autonomous Communities and Cities that have entrusted two different bodies or entities with the functions of applying taxes and those of designing or interpreting autonomous regulations may appoint two representatives, although they will have only one vote.

Precision: Please note that Article 1.8 of Royal Decree 352/2011, of March 11 (BOE of March 12) abolished the General Secretariat for Territorial Financing and that Royal Decree 1887/2011, of December 30 (BOE of December 31), abolished in its Article 4.3, among other governing bodies, the General Secretariat of the Treasury and the General Inspection of the Ministry of Economy and Finance.

Likewise, Royal Decree 139/2020, of January 28, which establishes the basic organic structure of the ministerial departments, is understood to be implicitly repealed by Royal Decree 1009/2023, of December 5 (BOE of December 6). See for this purpose the aforementioned Royal Decree, which includes the General Secretariat for Regional and Local Financing as a governing body of the State Secretariat for Finance, under which it reports, and, within the current Undersecretariat for Finance, the General Inspection.

Territorial Councils for the Management and Coordination of Tax Management

The Territorial Councils for the Direction and Coordination of Tax Management are collegiate bodies made up of representatives of the Tax Administration of the State and of the Autonomous Community or of the City with a Statute of Autonomy in question, which are responsible for coordinating the management of the transferred taxes in their respective territorial area.

These councils are made up of four representatives from the State Tax Administration Agency and four from the respective Autonomous Community or City with Statute of Autonomy. There will be as many substitutes as there are regular members, who will act in the event of absence or vacancy of any of the latter.

Participation of the Autonomous Communities and Cities with Statute of Autonomy in the Personal Income Tax campaign

The Autonomous Communities under the common regime and the Cities with Statutes of Autonomy, in the exercise of their fiscal co-responsibility, participate and collaborate with the State Tax Administration Agency in the development of the campaign IRPFABBR 2025, through the establishment of offices to provide tax information services and assistance in preparing tax returns. They also provide information necessary for certain regional and state tax deductions.

In these offices, you can also submit tax returns that have a refund or a negative result, as well as those that have a payment and whose payment has been directly debited.

Likewise, the declaration of IRPFABBR and confirm and submit the draft declaration at the offices of the Tax Administrations of the Autonomous Communities, under the terms provided for in the collaboration agreements signed between the Tax Agency and said Tax Administrations. In addition, staff from the Autonomous Communities provide telephone assistance through the "We Call You Plan".

Subject to personal income tax: material aspects

Positive delimitation of the taxable event

Regulations: Article 6 of the Law IRPFABBR

It constitutes the taxable event of IRPFABBR the obtaining of income by the taxpayer, whose components are the following:

- a. The returns on work.
- b. Capital returns.
- c. The returns from economic activities.
- d. Capital gains and losses.
- e. Income imputations established by law.

However, for the purposes of determining the taxable base and calculating the IRPFABBR the income is classified into **general and savings**.

By express legal provision, the provision of goods, rights or services that may generate income from work or capital are presumed to be remunerated, unless proven otherwise.

Negative delimitation of the taxable event: exempt and non-taxable income

Exempt income, article 7 of the Personal Income Tax Law

Attention : *In order to determine the limit of the obligation to declare established for natural persons resident in Spanish territory, the amount of income related to this section will not be taken into account.*

They are exempt from tax in accordance with Article 7 of the Law of IRPFABBR:

1. Benefits and pensions for acts of terrorism

Regulations: Art. 7.a) Law IRPFABBR

The following are exempt:

- a. Extraordinary public benefits for acts of terrorism and pensions derived from medals and decorations awarded for acts of terrorism.

For these purposes, the following are considered, among others:

- Extraordinary pensions motivated by acts of terrorism granted in the Social Security system regulated by Royal Decree 1576/1990, of December 7 (BOE of December 8).
- Extraordinary pensions caused by acts of terrorism regulated by Royal Decree 851/1992, of July 10 (BOE of August 1).

This Royal Decree regulated the legal provisions regarding extraordinary pensions for terrorist acts that were pending regulatory development. On the one hand, in the State's Passive Classes Regime, for those cases in which the disability or death of the victim is unrelated to the act of service, or to his or her status as a civil servant, as well as in the one managed by the National Mutual Fund for Local Administration Provision, and on the other, establishing the legal regime for those caused by those who, not having access to the right to an extraordinary pension in any public Social Security regime, lose their lives or suffer permanent injuries of a disabling nature as a result of terrorist actions. In addition to the aforementioned fundamental objective, the Royal Decree compiled all the current legislation that had been produced on extraordinary pensions for acts of terrorism in order to capture in a single provision the dispersed regulatory framework on the matter within the State's Passive Classes Regime, in order to rationalize and systematize it.

- The compensation and financial aid provided for in Law 32/1999, of October 8, on Solidarity with Victims of Terrorism (BOE of October 9) in accordance with the provisions of its article 13.

The aforementioned Law 32/1999 creates, in order to honour the victims of terrorism, the Royal Order of Civil Recognition for the Victims of Terrorism, regulated in articles 4 and 4 bis, an honorary distinction for which no pension is recognised and which is awarded to those who died, were injured or kidnapped in terrorist acts. Royal Decree 1974/1999, of December 23, approved the Regulations of the Royal Order of Civil Recognition for Victims of Terrorism.

Royal Decree 1912/1999, of December 17, approved the Regulations for the implementation of Law 32/1999, of October 8, on Solidarity with Victims of Terrorism. Please note that the aforementioned Royal Decree was repealed by Royal Decree 671/2013, of September 6, which approves the Regulations of Law 29/2011, of September 22, on the Recognition and Comprehensive Protection of Victims of Terrorism.

Royal Decree 288/2003, of March 7, approved the Regulation on aid and compensation for victims of terrorist crimes, replacing and repealing the previous Royal Decree 1211/1997, of July 18.

Royal Decree-Law 6/2006, of June 23, allowed those persons who, despite maintaining a similar emotional relationship, were not the spouse of the deceased due to such cause to be beneficiaries of extraordinary pensions for acts of terrorism, both in the Social Security System and in the State Pension Scheme.

- The benefits defined in article 14 of Law 29/2011, of September 22, on Recognition and Comprehensive Protection of Victims of Terrorism (BOE of September 23), in the concept of personal and material damages, civil liability, social protection and extraordinary pensions, derived from terrorist acts, pursuant to the provisions of its article 16 and 7.a) of the Personal Income Tax Law.

The temporal scope of application of Law 32/1999, of October 8, on Solidarity with the Victims of Terrorism (BOE of October 9) has been extended, with indefinite validity, to events that occurred after January 1, 2009. See the Fourteenth Final Provision of Law 2/2008, of December 23, on the General State Budget for the year 2009 (BOE of December 24).

Royal Decree 671/2013, of September 6 (BOE of September 18. Correction of errors of 19 September) approved the Regulation of Law 29/2011.

The pension attached to the Cross with red distinction of the Order of Merit of the Civil Guard income received by a natural person may benefit from the exemption under Article 7(a) of the Law IRPFABBR, only in those cases where it is duly proven that such decoration has been awarded for acts of terrorism, either as a consequence of the execution of terrorist acts or as a result of the tasks of preventing such acts. (TEAC Resolution of April 26, 2022, Claim number 00/08956/2021, issued in appeal for the unification of criteria).

- b. Likewise, the **exceptional pensions derived from terrorist attacks** recognized in Royal Decree-Law 6/2006, of June 23 (BOE of June 24) are declared exempt.

2. Aid of any kind received by those affected by HIV

Regulations: Art. 7.b) Law IRPFABBR

Any type of aid received by those affected by the Human Immunodeficiency Virus (HIV), regulated by Royal Decree-Law 9/1993, of May 28 (BOE of June 1), is exempt.

Article 2 of Royal Decree-Law 9/1993, of May 28, sets out the amount of the aid in its section 1, establishing in its section 2 that the amounts of the aid will be revalued as the Government sets annually in the corresponding Budget Laws.

3. Pensions recognized in favor of those people who suffered injuries or mutilations, on the occasion or as a consequence of the Civil War 1936/1939

Regulations: Art. 7.c) Law IRPFABBR

Pensions granted to those persons who suffered injuries or mutilations, on the occasion or as a consequence of the Civil War 1936/1939, either by the State's Passive Classes Regime or under the special legislation issued for this purpose, are exempt: Law 35/1980, of June 26, on

pensions for mutilated ex-combatants of the Republican zone (BOE of July 10); Law 6/1982, of March 29, on pensions for civilian war victims (BOE of April 3); Decree 670/1976, of March 5 (BOE of April 7).

4. Compensation for personal injuries as a result of civil liability and those derived from accident insurance contracts

Regulations: Art. 7.d) Law IRPFABBR

We can distinguish between:

A) Compensation for personal injuries as a result of civil liability in the legal or judicially recognized amount

Regulations: Additional Provision One of the RegulationsIRPFABBR.

Compensation as a result of civil liability for personal injury (a concept which includes physical, psychological and moral damages) is exempt in the amount legally or judicially recognized.

Legally recognized amounts

This circumstance occurs when a regulation determines the amount of compensation, which means that any excess that may be received is subject to and not exempt.

For these purposes, in the case of traffic accidents, the amounts legally recognized are those compensations set in accordance with the provisions of article 1.4 of the consolidated text of the Law on Civil Liability and Insurance in the Circulation of Motor Vehicles, approved by Royal Legislative Decree 8/2004, of October 29 (BOE of November 5), as long as they are paid by an insurance entity as a result of the civil liability of its insured.

In relation to these amounts, it is necessary to distinguish between the following when assessing the damages and injuries caused to people in traffic accidents:

- Accidents that occur on or after 1 January 2016, to which the assessment system included in the new Title IV and the new Annex of the Revised Text of the Law on civil liability and insurance in the circulation of motor vehicles, approved by Royal Legislative Decree 8/2004, of 29 October, will be applied, which is introduced by the sole article of Law 35/2015, of 22 September, regarding the reform of the system for the assessment of damages and injuries caused to persons in traffic accidents (BOE of 23 October).

Pursuant to Article 49.3 of the consolidated text of the Law on Civil Liability and Insurance in the Circulation of Motor Vehicles, the Resolution of March 12, 2025 (BOE March 24)The Directorate General of Insurance and Pension Funds agrees to make public on its website <http://www.dgsfp.mineco.es/> the compensation amounts in force during the year 2025, once updated in the 2.8 percent.

- Accidents that occurred before 1 January 2016, to which the system set out in the Annex of the Revised Text of the Law on civil liability and insurance in the circulation of motor vehicles, approved by Royal Legislative Decree 8/2004, of 29 October, in its version in force until 31 December 2015, will be applied.

These amounts were last updated in the Resolution of the General Directorate of Insurance and Pension Funds, dated March 5, 2014 (BOE of March 15).

Remember : *On October 28, 2022, Royal Decree 907/2022, of October 25, was published the BOE , which modifies the amounts of certain tables of the system for the assessment of damages caused to persons in traffic accidents contained in the annex of the consolidated text of the Law on civil liability and insurance in the circulation of motor vehicles, approved by Royal Legislative Decree 8/2004, of October 29, and by which Royal Decree 1060/2015, of November 20, on the regulation, supervision and solvency of insurance and reinsurance entities, was modified to update amounts in euros in relation to the special solvency regime.*

This Royal Decree 907/2022 updated the compensation amounts of the tables corresponding to the assessment of lost profits and third-party assistance, as well as the so-called technical tables of assistance for the processing of claims, whose technical bases were previously modified by Order ETD/949/2022, of September 29.

The new amounts in the tables of the annex included in Royal Decree 907/2022 will apply to accidents occurring after October 29, 2022, and to those injured in accidents that occurred previously and whose consequences have stabilized after that date.

Judicially recognized amounts

Two assumptions are considered to be included in this expression:

- a. Quantification set by a judge or court through a judicial resolution.
- b. Intermediate formulas. This expression refers to those cases in which there is a voluntary approximation in the positions of the parties in conflict, provided **there is** type of judicial intervention. By way of example, the following can be cited: act of judicial conciliation, surrender, waiver, desistance and judicial transaction.

These amounts are exempt in their entirety, even if they exceed the legal amounts indicated above.

Attention: *However, please note that the Fifty-First Additional Provision of the Law of IRPFABBR declares exempt, effective from March 31, 2022 and prior non-time-barred tax years, the compensation received as civil liability for personal damages by the relatives of the victims of the GWI9525 flight accident, which occurred on March 24, 2015, as well as the aid paid by the affected airline or by an entity linked to the latter.*

B) Compensation for personal injuries derived from accident insurance contracts

Compensation for personal injury arising from accident insurance contracts is also exempt, except for those whose premiums could have reduced the tax base or been considered as a deductible expense in determining the net income of the economic activity carried out by the insured.

The exemption only extends to the amount resulting from applying, to the damage suffered, the system for the assessment of damages and injuries caused to persons in a traffic accident, distinguishing:

- Accidents that occur on or after 1 January 2016, to which the assessment system included in the new Title IV and the new Annex of the Revised Text of the Law on civil liability and insurance in the circulation of motor vehicles, approved by Royal Legislative Decree 8/2004, of 29 October, will be applied, which is introduced by the sole article of Law 35/2015, of 22 September, regarding the reform of the system for the assessment of damages and injuries caused to persons in traffic accidents (BOE of 23 September).

Please note that the Directorate General of Insurance and Pension Funds, to facilitate its understanding and application, publishes it on its website <http://www.dgsfp.mineco.es/>, the compensation amounts in force during the year 2025, once updated by 2.8 percent.

- Accidents that occurred before 1 January 2016, to which the system set out in the Annex of the Revised Text of the Law on civil liability and insurance in the circulation of motor vehicles, approved by Royal Legislative Decree 8/2004, of 29 October, in its version in force until 31 December 2015, will be applied.

Note: *Compensatory interest for late payment corresponding to exempt compensation is also exempt in accordance with the provisions of Article 7 of the Law of IRPFABBR. The reason is that the fixed interest, as an accessory obligation, must be considered the same as the main concept from which it derives and be classified, in these cases, as exempt capital gain. See in this regard the Resolution of the Central Economic-Administrative Court (TEAC), dated May 10, 2018, Claim number 00/05260/2017, issued in an extraordinary appeal for the unification of criteria.*

5. Compensation for dismissal or termination of the employee

Regulations: Articles 7.e) Law IRPFABBR; 1 and 73 of the Regulation IRPFABBR

Note: *In all cases, the enjoyment of this exemption is conditional on the real and effective disengagement of the worker from the company. It shall be presumed, unless proven otherwise, that such disassociation does not occur when, within three years of dismissal or termination, the worker returns to provide services to the same company or to another company linked to it, under the terms provided for in Article 18 of the Corporate Income Tax Law, provided that, in the case where the linkage is defined based on the relationship of the partners or shareholders with the entity, the shareholding is equal to or greater than 25 percent (Art. 1 Regulation IRPFABBR).*

Clarifications

- *Article 1 of the Regulation of IRPFABBR It does not limit the presumption of disengagement to the character or nature of the relationship, both past and future, but refers generically to the circumstance that the worker "returns to provide services" to the same company or to another linked to it, making it irrelevant whether the new provision of services is framed within a common or special employment relationship, or within a business or professional relationship. Therefore, it does not matter in any way that the previous relationship that is being terminated and for which the compensation is received is of an employment nature and the subsequent relationship that the worker maintains with the company is of a commercial nature.*
- *For the application of the presumption of article 1 of the Regulation, it is sufficient that within three years following his dismissal or termination, the worker returns to provide services to the same company or to another company linked to it in the terms of the aforementioned provision, without it being necessary to assess a fraudulent purpose in the new provision of services. Consequently, the absence of fraudulent intent in the new relationship with the same or a related company does not entail the automatic application of the exemption established in Article 7.e) of the Law of IRPFABBR (Resolution of the TEAC of 22/04/2021, Claim number 00/02016/2020, relapse in extraordinary appeal for the unification of criteria).*
- *For the purposes of enjoying the exemption, the "actual and effective disassociation of the worker with the company" means that, after his dismissal or termination, he does not return to provide services to the company that, directly or indirectly, are related to the previous responsibilities assumed, corresponding to the proof of such circumstances to whoever was an employee of the same, in accordance with the interpretative criteria established in the Supreme Court Judgment number 276/2022, of March 4, of the Second Section of the Contentious-Administrative Chamber (ROJ : STS 986/2022).*
- *The requirement of the effective termination of the worker's relationship with the company, which is provided for as a rebuttable presumption in Article 1 of the Regulation of IRPFABBR, is not applicable, except in cases of exemption due to dismissal or termination of the worker - art. 7.e) of the Law of IRPFABBR - to exclude the reduction of earnings obtained in a notoriously irregular manner over time by mutual agreement termination of the employment relationship (art. 18.2 Law IRPFABBR and 11.1.f) Regulation IRPFABBR). Interpretative criterion established by the Supreme Court Judgment no. 1245/2025, of October 7, 2025, issued in appeal no. 6544/2023 (RED: STS 4367/2025).*

A) Exempt amount: Limits

Compensation for dismissal or termination of the employee is exempt, with the following limits:

A. Up to the amount established as mandatory in the Workers' Statute, approved by Royal Legislative Decree 2/2015, of October 23, in its implementing regulations, or where applicable, in the regulations governing the enforcement of judgments .

However, it should be noted that Article 7.e) of the Law itself IRPFABBR It establishes, as will be seen later, an exception in the case of collective dismissals for which an exemption greater than the compensation amount established as mandatory in the Workers' Statute is foreseen.

However, in order to declare exempt compensation for unfair dismissal or termination up to the amount established as mandatory in the Workers' Statute, we must differentiate between dismissals that occurred up to July 7, 2012 and those that originate after that date:

- In the layoffs that occurred up to **July 7, 2012** Severance payments are exempt when the employer acknowledges this at the time of the dismissal notification or at any time prior to the conciliation hearing, provided that the amount of the compensation does not exceed that which would have been due had the dismissal been declared unfair, and that it does

not involve terminations by mutual agreement within the framework of collective redundancy plans or systems (twenty-second transitional provision of the Law on IRPFABBR).

- In dismissals **produced after July 7, 2012**, only compensation recognized in an act of conciliation or in a judicial resolution are exempt.

For these purposes, it should be taken into account that article 63 of Law 36/2011, of October 10, regulating social jurisdiction requires, as a prerequisite for the processing of the judicial process, that an attempt at conciliation or, where appropriate, mediation be carried out before the corresponding administrative service (to be established in each Autonomous Community) or before the body that assumes these functions, which may be established through interprofessional agreements or collective agreements referred to in article 83 of the consolidated text of the Workers' Statute Law, as well as through professional interest agreements referred to in article 13 and article 18.1 of Law 20/2007, of July 11, of the Statute of self-employed workers (BOE of July 12).

Precision: The consolidated text of the Workers' Statute Law is the one approved by Royal Legislative Decree 2/2015, of October 23 (BOE of October 24).

B. However, the amount of exempt compensation **will have a maximum limit of 180,000 euros**. Therefore, although the total compensation does not exceed the amount stipulated in the Workers' Statute or in its implementing regulations, if it exceeds 180,000 euros, the excess will be subject to taxation, with the exceptions indicated below:

Exceptions:

Regulations: Transitional provision twenty-second.3 Law IRPFABBR.

This limit of 180,000 euros will not apply:

- To compensation for dismissals or terminations that occurred prior to August 1, 2014.
- To compensation for dismissals that occur from that date when they derive from **an approved employment regulation file, or a collective dismissal in which the opening of the consultation period had been communicated to the labor authority, prior to August 1, 2014**.

Note: When the amount of compensation received exceeds the amount that, in each case, is mandatory or the maximum limit of 180,000 euros, the excess is not exempt from IRPFABBR and must be declared as income from personal work, without prejudice to the fact that the legally established reduction for income from work generated over a period of more than two years may be applicable, where appropriate.

B) Cases that are not considered covered by the exemption

They are not considered to be covered by exemption and are therefore fully subject to tax and must be declared in full:

a. Compensation established by virtue of an agreement, pact or contract.

Note: *The compensations agreed in the conciliation act before the Administrative Service referred to in Article 63 of Law 36/2011, of October 10, regulating social jurisdiction, will not be considered as compensations established by virtue of an agreement, pact or contract.*

b. In general, the amounts that, where applicable, are received as a result of the termination of the employment contract, for any reason other than the dismissal or termination of the worker or for which the right of the worker to receive compensation is not established as mandatory in the Workers' Statute or in its implementing regulations.

These assumptions include the following:

- The termination, upon expiration, of temporary or fixed-term employment contracts or due to the completion of the work or service that is the object of the contract, as provided for in article 49.1 c) of the Workers' Statute, due to the fact that there is no dismissal or termination at the will of the worker (termination).
- Disciplinary dismissals that are deemed appropriate.
- Termination of the contract at the will of the employee (cessation) that is not motivated by any of the causes referred to in articles 41.3 and 50 of the Workers' Statute.

C) Exempt compensation derived from dismissals classified as unfair

Regulations: Art. 56 and the eleventh transitional provision of the Workers' Statute.

Compensation not exceeding the following amounts is exempt:

a. In dismissals declared prior to February 12, 2012: 45 days of salary , per year of service, prorating periods of time less than a year by months, up to a **maximum of** monthly payments.

b. In dismissals declared from 12 February 2012 it is necessary to distinguish:

- **For contracts signed after February 12, 2012: 33 days of salary** per year of service, with periods of less than a year being prorated by months, up to a maximum of **24 monthly payments** .
- **For contracts executed before February 12, 2012** : The sum of the following amounts:
 - i. Compensation for the period prior to February 12: **45 days of salary** per year of service for the time provided prior to said date, with periods of time less than a year being prorated by months.
 - ii. Compensation for the period after February 12: **33 days of salary** per year of service for the time provided subsequent services, with periods of time less than a year also being prorated by months.

The resulting compensation amount may not exceed **720 days' salary** , unless the calculation of the compensation for the period prior to February 12, 2012 results in a higher number of days, in which case this will be applied as the maximum compensation amount, without said amount being able to exceed **42 monthly payments, in no case** .

The *contracts for the promotion of permanent employment* entered into prior to February 12, 2012 will continue to be governed by the regulations under which they were entered into.

The contract for the promotion of permanent employment was regulated in the currently repealed First Additional Provision of Law 12/2001, of July 9, Urgent Measures for the Reform of the Labor Market

However, in the event of disciplinary dismissal, compensation for unfair dismissal will be calculated as indicated above.

In Chapter 3, see [practical case](#) for an example of the treatment of compensation resulting from dismissal qualified as unfair.

D) Exempt compensation derived from termination of the contract at the will of the worker (cessation)

Regulations: Articles 40, 41 and 50 Workers' Statute

The following assumptions must be distinguished:

1. When voluntary termination is motivated by any of the following causes (Art. 50 Workers' Statute):

- a. Substantial changes in working conditions that result in a loss of the worker's dignity.
- b. Non-payment or continued delays in payment of the agreed salary.

Without prejudice to other cases that the judge or the court may consider a just cause for these purposes, it will be understood that there is a delay when the date set for the payment of the salary is exceeded by fifteen days, the cause occurring when the worker is owed, in the period of one year, three full monthly salaries, even if not consecutive, or when there is a delay in the payment of the salary for six months, even if not consecutive.

- c. Any other serious breach of contractual obligations by the employer, except in cases of force majeure, as well as the refusal by the employer to reinstate the worker in his or her previous working conditions in cases of geographical mobility and substantial changes in working conditions provided for in articles 40 and 41 of the Workers' Statute, when a court ruling has declared them unjustified.

In these cases the exempt compensation will be the **set for the [unfair dismissals](#)** that were discussed in the previous section .

2. When the termination of the contract at the will of the worker is due to substantial changes in working conditions (working day, schedule and distribution of working time, shift work regime, remuneration system and salary amount, work and performance system and,

functions, when they exceed the limits provided for functional mobility) by which the worker is harmed **but which do not result in a detriment to his dignity as a worker** (Art. 41 Workers' Statute).

In this case, compensation that does not exceed **20 days of salary per year worked is exempt, with periods of time less than a year being prorated by months, with a maximum of 9 monthly payments**.

3. Likewise, when the employer notifies the worker of his transfer to a different workplace of the same company **that requires a change of residence**, the worker will have the right to the termination of his contract receiving compensation of **20 days' salary per year of service, with periods of time less than a year being prorated by months and with a maximum of 12 monthly payments** (Art. 40 Workers' Statute).

E) Exempt compensation derived from collective dismissals due to economic, technical, organizational, production or force majeure causes

In cases of collective dismissals, that is, those carried out in accordance with the provisions of Article 51 of the Workers' Statute that are due to economic, technical, organizational, production reasons or force majeure, **The portion of compensation received that does not exceed the established limits will be exempt.** mandatory in the aforementioned Statute **for unfair dismissal** (33 days per year of service up to a maximum of 24 monthly payments with the application, where appropriate, of the transitional regime for contracts formalized before February 12, 2012), instead of the mandatory amount set for each of them by the Workers' Statute itself.

Note: For collective dismissals based on economic, technical, organizational or production reasons or due to force majeure, the compensation established by the Workers' Statute as mandatory is 20 days per year of service, with periods of time less than a year being prorated by months and with a maximum of 12 monthly payments.

Note: Please note that, as we will see when examining the [objective dismissals](#), when these occur for the reasons provided for in letter c) of article 52 of the aforementioned Statute, that is, when the dismissal is based on economic, technical, organizational, production or force majeure reasons regulated by article 51 of the Workers' Statute, the part of the compensation received that does not exceed the limits established on a mandatory basis in the aforementioned Statute will also be exempt **for unfair dismissal**, instead of the mandatory amount set by the Workers' Statute.

The collective dismissal of article 51 of the Workers' Statute is known as **Employment Regulation File (ERE) of extinction** and must be clearly distinguished from the **Temporary Employment Regulation File** which has a **purely temporary nature** and implies the **mandatory reinstatement of the worker** to his/her job under the same conditions as he/she had prior to the application of the ERTE, once it ends. Therefore, it does not exist in the **ERTE (Temporary Employment Regulation File) termination or dismissal** of the workers and, consequently, **The employer does not have to compensate the workers** being fully subject to IRPFABBR the amounts received for this concept.

Transitory rules:

Regulations: Twenty-second transitional provision of the Law IRPFABBR

Compensation for dismissal or termination resulting from employment regulation files **in process or in force in their application as of February 12, 2012** referred to in the tenth transitional provision of the consolidated text of the Workers' Statute Law, approved by Royal Legislative Decree 2/2015, of October 23 (BOE of October 24), approved by the competent authority as of March 8, 2009, are exempt in the amount that does not exceed **45 days of salary** per year of service, with periods of time less than one year being prorated by months up to a maximum of **42 monthly payments**.

Precision: the twenty-second transitional provision of the Law of IRPFABBR It refers to the tenth transitional provision of Law 3/2012 of July 6, on urgent measures for the reform of the labor market, which has been repealed by Royal Legislative Decree 2/2015, of October 23, which approves the consolidated text of the Workers' Statute Law, and its content has been included in the tenth transitional provision of the aforementioned Royal Legislative Decree 2/2015.

Now, in the case of dismissal or termination at the will of the employee that are a consequence of employment regulation files, processed in accordance with article 51 of the Workers' Statute, approved **before March 8, 2009** and dismissals produced by the causes provided for in letter c) of article 52 of the Workers' Statute **prior to said date**, the exempt amount will be constituted by the sum of 20 days of salary for each year worked, prorating by months the periods of time less than a year, with a maximum of 12 monthly payments.

See table on “ [Collective dismissals: exempt compensation, reduction for irregularity of 30% of the non-exempt amount and early redemption](#) ” in Chapter 3 of this Manual.

F) Exempt compensation derived from the termination of the employment relationship due to death, retirement or disability of the employer or due to termination of the legal personality of the contracting party

Regulations: Art. 49.1.g) Workers' Statute

Compensation for these causes that does not exceed the amount equivalent to one month's salary is exempt.

In cases of termination of the legal personality of the contractor, the procedures of **collective dismissal** of article 51 of the Workers' Statute must be followed.

G) Exempt compensation derived from the termination of the employment contract for objective causes

Regulations: Art. 52 Workers' Statute

In the case of dismissals for any of the objective reasons referred to in Article 52 of the Workers' Statute, the compensation received that does not exceed the amount of **20 days' salary** per year worked will be exempt, with a **maximum of 12 monthly payments** .

For these purposes, the objective causes referred to in **Article 52 of the Workers' Statute** and for which the contract may be terminated with exempt compensation of **20 days' salary** per year worked, with a **maximum of 12 monthly payments** are the following:

- Due to the worker's ineptitude, known or occurring after his or her effective placement in the company. Incompetence existing prior to the completion of a trial period may not be alleged after said completion.
- Due to the worker's failure to adapt to technical changes in his/her workplace, when such changes are reasonable. The employer must first offer the employee a course aimed at facilitating adaptation to the changes made. The time spent on training will in all cases be considered effective working time and the employer will pay the worker the average salary that he or she was receiving. Termination may not be agreed by the employer until at least two months have elapsed since the modification was introduced or since the training aimed at adaptation ended.
- In the case of open-ended contracts entered into directly by non-profit entities for the execution of specific public plans and programmes, without a stable financial endowment and financed by the Public Administrations through annual budgetary or extra-budgetary allocations as a result of external income of a specific purpose, due to the insufficiency of the corresponding allocation for the maintenance of the employment contract in question.

Unlike the above, when the contract is terminated in the case of letter c) of article 52 of the Workers' Statute, that is, when any of the economic, technical, organizational, production or force majeure causes provided for in article 51.1 of the Workers' Statute occur and affect a lower number of workers than established in said article, **The portion of compensation received that does not exceed the limits established as mandatory in the aforementioned Statute for unfair dismissal will be exempt.** (33 days per year of service up to a maximum of 24 monthly payments with the application, where appropriate, of the transitional regime for contracts formalized before February 12, 2012).

In this regard, it should be noted that collective dismissal and objective dismissal respond to the same economic, technical, organizational, production and nature causes. The only difference is the number of workers affected. When the termination affects a number of workers equal to or greater than that established in article 51.1 of the Workers' Statute, the procedure provided for in said article for collective dismissal must be followed.

H) Exempt compensation derived from the termination of special labor relationships

a. Senior management staff

Regulations: Articles 2.1.a) Workers' Statute and 11 Royal Decree 1382/1985, of August 1, regulating the special employment relationship of senior management personnel (BOE of August 12)

In the case of senior management personnel, the employment contract may be terminated for the reasons and through the procedures provided for in the Workers' Statute, except for the following special circumstances established in article 11 of Royal Decree 1382/1985, of August 1:

1. Termination of the contract due to withdrawal by the employer.

In these cases, the senior manager will be entitled to the compensation agreed in the contract and, in the absence of an agreement, the compensation will be equivalent to seven days of salary in cash per year of service with a limit of six monthly payments.

The amount of compensation set for these cases (**7 days with a maximum of 6 monthly payments**) is considered as mandatory minimum and, therefore, exempt from personal income tax, in accordance with the interpretative criteria established in Supreme Court Judgment number 1528/2019, of November 5, of the Second Section of the Contentious-Administrative Chamber (ROJ : STS 3678/2019) and reiterated in STS number 1139/2020, of September 4, 2020 (ROJ : STS 2799/2020) and more recently, in STS number 805/2025, of June 26, 2025 (RED: STS 2873/2025).

It should be noted that the ruling in Judgment number 1528/2019 is based on the doctrine set forth in the ruling of the Plenary Session of the Social Chamber of the Supreme Court of April 22, 2014 (Appeal for the unification of doctrine no. 1197/2013) which considered that the compensation of seven days of salary in cash per year of service with the limit of six monthly payments set out in article 11.1 Royal Decree 1382/1985, is a "minimum necessary right, not available" and, therefore, mandatory, even in cases where termination of the contract without compensation had been agreed.

2. In the event of dismissal declared unfair , and in accordance with the previous interpretative criterion, the part of compensation that does not exceed the minimum mandatory amount provided for in section 2 of the aforementioned article 11 of Royal Decree 1382/1985, of August 1, is considered exempt (**20 days of salary in cash per year of service and **up to a maximum** of 12 monthly payments).****b. Professional sportsmen****Regulations: Articles 2.1.d) Workers' Statute and 15 Royal Decree 1006/1985, of June 26, regulating the special employment relationship of professional athletes (BOE of June 27)**

In the event of unfair dismissal, **athletes with** special employment relationship (Royal Decree 1006/1985, of June 26) are entitled to a guaranteed minimum compensation of at least two monthly payments of their regular remuneration, plus the corresponding proportional part of the quality and quantity of work supplements received during the last year, with periods of time less than a year being prorated by months.

The compensation received by these individuals is considered to be exempt under Article 7(e) of the Law of IRPFABBR up to the amount corresponding to said limit (**two months per year worked**).

c. Household employees

Regulations: Articles 2.1.b) Workers' Statute and 11 Royal Decree 1620/2011, of November 14, regulating the special employment relationship of the family home service (BOE of November 17)

In the case of employees in the family home service (special employment relationship regulated by Royal Decree 1620/2011, of November 14) the cause of termination or dismissal must be distinguished:

If the contract is terminated due to the employer's withdrawal, the exempt compensation is:

- For contracts signed after January 1, 2012, **12 calendar days** per year of service, with a **limit of 6 monthly payments**.
- For contracts prior to that date, **7 days** per year with a **limit of 6 monthly payments** .

If it is a case of unfair dismissal, the exempt compensation will be **20 calendar days** per year of service, with a of 12 monthly payments.

Summary table

Cause for termination of employment contract	Status of workers		Exempt compensation IRPFABBR
	Days of salary for each year of service	Maximum monthly payments	
Unfair dismissal			
Unfair dismissal with contract signed from 12-02-2012	33	24	YEAH
Unfair dismissal with a contract signed prior to 12-02-2012 (Transitional regime)	45/33	42	YEAH
By the will of the worker			
Termination of employment	NO		NO
Termination of contract due to transfer of workplace involving change of residence	20	12	YEAH
Termination of contract due to detrimental modification of working hours, schedule or shift work regime	20	9	YEAH
Termination of contract due to modification that results in harm to the professional training or undermines the dignity of the worker	45/33	42	YEAH
Collective dismissals (Economic, technical, organizational or production reasons and force majeure)			
ERE approved before 08-03-2009	20	12	YEAH
ERE in process or in force in its application as of February 12, 2012 (Law of IRPFABBR , transitional provision 22)	45	42	YEAH: mandatory amount for unfair dismissal prior to February 12, 2012.
Collective dismissal since 12-02-2012	33 45/33 (Transitional regime)	42	YEAH: mandatory amount for unfair dismissal (33 days/24 monthly payments or transitional regime).
Objective causes			
Produced before 08-03-2009	20	12	YEAH

Cause for termination of employment contract	Status of workers		Exempt compensation IRPFABBR
	Days of salary for each year of service	Maximum monthly payments	
Contract for the promotion of permanent employment entered into prior to 12-2-2012 (termination for objective reasons, declared or recognized as unfair) (Workers' Statute, transitional provision 11)	33	24	YEAH
Objective dismissal from 12-02-2012 (article 52 Workers' Statute except letter c)	20	12	YEAH
Objective dismissal for economic, technical, organizational or production reasons and force majeure (art. 52.c) Workers' Statute)	20	12	YEAH: mandatory amount for unfair dismissal (33 days/24 monthly payments or transitional regime).
Death, disability or retirement of the employer	1 month in total	NO	YEAH
Temporary hiring	8-12	NO	NO
Derived from the termination of special employment relationships			
<i>Senior management staff</i>			
Withdrawal of the entrepreneur	7	6	YEAH
Unfair dismissal	20	12	YEAH
<i>Professional sportsmen</i>	2 months	NO	YEAH
<i>Household employees</i>			
Withdrawal with contract signed from 01-01-2012	12	6	YEAH
Withdrawal with a contract concluded before 01-01-2012	7	6	YEAH
Unfair dismissal	20	12	YEAH

6. Benefits for absolute permanent disability or major disability received from Social Security or by the entities that replace it

Regulations: Art. 7.f) Law IRPFABBR

The exemption affects benefits received from Social Security in its **contributory modality**.

Currently, in the absence of the regulatory development referred to in article 194 and the twenty-sixth transitional provision of the consolidated text of the General Social Security Law, approved by Royal Legislative Decree 8/2015, of October 30 (BOE of October 31), permanent disability admits four graduations in the field of Social Security, configured as follows:

- **Partial permanent disability for the usual profession:** that which, without reaching the degree of total, causes the worker a decrease of no less than 33% in his normal performance for said profession, without preventing him from carrying out the fundamental tasks of said profession.
- **Permanent total disability for the usual profession:** which disqualifies the worker from carrying out all or the fundamental tasks of said habitual profession, provided that he or she can dedicate himself or herself to another different one.
- **Permanent absolute incapacity for any work:** which completely disqualifies the worker from any profession or trade.
- **Major disability:** A situation that affects the worker and produces the same effects as the absolute one, but which, in addition, as a consequence of anatomical or functional losses, requires the assistance of another person for the most essential acts of life, such as dressing, moving, eating or similar.

Of these graduations, only the benefits for **absolute permanent disability or severe disability** received from Social Security, give the right to exemption.

Regarding pensions **from abroad** received by taxpayers of IRPFABBR and that must be subject to taxation in Spain will enjoy exemption, provided that the following requirements are met:

- That the degree of recognized disability can be compared in its characteristics to absolute disability or severe disability.
- That the entity that pays the benefit enjoys, according to the regulations of the country of origin of the pension, the status of a substitute for Social Security.

For the purposes of equalization or, where appropriate, homologation of benefits for permanent disability in its degrees of absolute or severe disability, see the interpretative criteria established by the Supreme Court in Judgment number 346/2019, of March 14 (ROJ : STS 810/2019).

Additional Information: regarding the documents that the AEAT collects from recipients of disability pensions from foreign States who claim the application of the exemption of article 7.f) of the law of IRPFABBR These are the ones indicated below:

- Resolution by which the benefit or income in question is recognized,
- Official medical report, describing the pathologies, injuries, sequelae and functional limitations taken into consideration for the assessment of work disability, and
- Official expert opinion that specifies and determines the scope and impact of functional limitations on work capacity.

This documentation must be accompanied by its corresponding translation into Spanish.

Likewise, the **benefits granted to professionals not integrated into the special Social Security regime for self-employed workers or freelancers by the Social Security Mutual Societies that act as alternatives to the special Social Security regime** mentioned are

declared exempt, provided that they are benefits in situations identical to those provided for absolute permanent disability or severe disability by Social Security.

The exempt amount is **limited to the amount of the maximum benefit recognized by Social Security for the corresponding concept**. The excess will be taxed as work income, understood to be produced, in the case of concurrence of benefits from Social Security and the aforementioned mutual funds, in the provision of the latter.

Unlike the above, because they do not have the character of public services, **are subject to, and not exempt from, IRPFABBR benefits provided by any other entity or company**, even if they are perceived as a consequence of permanent total disability or severe disability.

7. Pensions due to uselessness or permanent disability of the passive class regime

Regulations: Art. 7.g) Law IRPFABBR

Pensions for disability or permanent incapacity are exempt from the passive classes regime, provided that the injury or illness that caused them completely disables the recipient of the pension for any profession or trade.

In accordance with the provisions of the Order of the Presidency of the Government of 22 November 1996, which establishes the procedure for issuing medical opinions for the purposes of recognising certain benefits of Civil Service Employees (BOE of 23 November), in cases of retirement due to permanent disability for service, it must be stated whether the civil servant's injury or pathological process, in addition to disabling him/her for the functions of his/her Corps, completely disqualifies him/her for any profession or trade and, where appropriate, whether he/she needs the assistance of another person to carry out the most essential acts of life.

See, in relation to these pensions, Article 28.1 of the consolidated text of the Law on State Passive Classes, approved by Royal Legislative Decree 670/1987, of April 30 (BOE of May 27) and Chapter I of Title I (Articles 1 to 8) of Royal Decree 710/2009, of April 17, which develops the provisions of Law 2/2008, of December 23, on the General State Budget for 2009, regarding pensions for Passive Classes and certain social compensations (BOE of April 30th).

The aforementioned Law 2/2008, of December 23, in its thirteenth Additional Provision, provides that the taxpayer may request **new assessment** the extent of the permanent disability so that if, after the recognition of the retirement pension or retirement due to permanent disability for service, these three circumstances occur:

- that a **worsening** of the pensioner's illness or injury occurs,
- that such illness or injury disables him from performing any profession or trade,
- that such circumstance occurs before reaching the retirement age or compulsory retirement,

The body that has recognized the right to a retirement pension or retirement pension due to permanent disability for service **may agree to increase the amount of the pension up to 100%** of what would have corresponded to him, following a mandatory and binding opinion issued for this purpose by the expert medical body.

Well, the Supreme Court in its Judgment number 1706/2023, of December 15 (ROJ : STS 5755/2023) declares as jurisprudential doctrine that **are exempt** of the Personal Income Tax, by application of art. 7.g) of the Law of IRPFABBR the amounts received for the retirement pension due to permanent disability resulting from injury or illness that completely disables the pension recipient from any profession or occupation, with effects "**from the first day of the month following the submission of the application that gave rise to the resolution of the increase in the pension, under the terms provided for in Article 7 of Royal Decree 710/2009, of April 17**".

8. Maternity or paternity and similar benefits and non-contributory family benefits

Regulations: Art. 7.h) Law IRPFABBR

The following are exempt:

- **Maternity or paternity benefits and non-contributory family benefits** regulated, respectively, in Chapters VI and VII of Title II and in Chapter I of Title VI of the consolidated text of the General Social Security Law, approved by Royal Legislative Decree 8/2015, of October 30 (BOE of October 31), **and orphan's pensions and passive assets and in favor of grandchildren and siblings, under twenty-two years of age or incapacitated for any work**, received from the public Social Security regimes and passive classes.
- Likewise, benefits granted to professionals not integrated into the special Social Security regime for self-employed workers or freelancers by Social Security Mutual Societies that act as alternatives to the special Social Security regime mentioned above are declared exempt, provided that they are benefits in situations identical to those provided for in the previous paragraph by Social Security for professionals integrated into said special regime.

The exempt amount is limited to the amount of the maximum benefit recognized by Social Security for the corresponding concept. The excess will be taxed as work income, understood to be produced, in the case of concurrence of benefits from Social Security and the aforementioned mutual societies, in the benefits of the latter.

- In the case of **public employees covered by a Social Security scheme that does not entitle them to receive the maternity or paternity benefit** referred to in the first paragraph of this letter, **the remuneration received during childbirth, adoption or guardianship leave and paternity leave** referred to in letters a), b) and c) of article 49 of the consolidated text of the Basic Statute of Public Employees, approved by Royal Legislative Decree 5/2015, of October 30, or that recognized by the specific legislation that is applicable to them for situations identical to those provided for above, will be exempt.

The exempt amount is limited to the amount of the maximum benefit recognized by Social Security for the corresponding concept. Any excess will be taxed as earned income.

Taking into account the method of calculating maternity and/or paternity benefits, and for the purposes of the limit indicated in article 7.h) of the Law of IRPFABBR the monthly amount of the benefit may never exceed 100 percent of the maximum contribution base in force at any given time. The maximum contribution base for 2025 has been set at 4,909.50 euros/month, in accordance with the provisions of Articles 2 and 4 of the Order PJC/178/2025, of February 25, which develops the legal rules for contributions to Social Security, unemployment, protection for cessation of activity, Wage Guarantee Fund and professional training for the year 2025 (BOE February 26).

Also exempt are **other public benefits for birth, delivery or multiple adoption, adoption, maternity or paternity, dependent children and orphanhood**.

Non-exempt breastfeeding leave: Article 48, letter f) of the Basic Statute of Public Employees Act, approved by Royal Legislative Decree 5/2015, of October 30, provides for a leave for breastfeeding a child under 12 months of one hour absence from work, which may be replaced by a reduction of the normal working day (half an hour at

the beginning and end of the working day, or one hour at the beginning or end of the working day, with the same purpose) or by paid leave that accumulates the corresponding time in full days. This accumulated paid leave can only be taken after the end of the leave for birth, adoption, guardianship, foster care or of the parent other than the biological mother. The income received during paid breastfeeding leave is not covered by the exemption established in article 7.h) of the Law on IRPFABBR. Therefore, it must be taxed as employment income.

Note: *Public maternity benefits received from Social Security have been considered as subject to IRPFABBR until the Supreme Court's ruling no. 1462/2018, of October 3, 2018 (ROJ : STS 3256/2018) which established as legal doctrine that said benefits are exempt from IRPFABBR.*

As a consequence of the aforementioned Supreme Court ruling, Article 1.First of Royal Decree-Law 27/2018, of December 28, which adopts certain measures in tax and cadastral matters (BOE of December 29), amended, with effect from December 30, 2018 and for prior non-prescribed tax years, the wording of letter h) of article 7 of the Law of IRPFABBR In the terms transcribed in this Manual, it includes the aforementioned legal doctrine, extending it to paternity benefits paid by Social Security and expressly expanding the scope of the exemption to the remuneration received during leave for childbirth, adoption or guardianship and paternity, by public employees included in a Social Security scheme that does not give the right to receive maternity or paternity benefits, with the limit of the maximum benefit recognized by Social Security for the corresponding concept.

According to this legal amendment, taxpayers who received maternity or paternity benefits or remuneration during the 2025 fiscal year, for childbirth, adoption or guardianship and paternity leave, do not have to declare the exempt amounts.

9. Public benefits for hosting people with disabilities, those over 65 years of age or younger

Regulations: Art. 7.i) Law IRPFABBR

The following are exempt: **economic benefits** received from public institutions **for the care of people with disabilities, people over 65 years of age or minors**, whether in the simple, permanent or pre-adoption modality or the equivalent ones provided for in the regulations of the Autonomous Communities, including the care in the execution of the judicial measure of cohabitation of the minor with a person or family provided for in Organic Law 5/2000, of January 12, regulating the criminal responsibility of minors.

Please note that Law 26/2015, of July 28, which modifies the system of protection for children and adolescents (BOE of July 29) modified, with effect from August 18, 2015, article 173 bis of the Civil Code that regulates the modalities of foster care. Currently they are: emergency foster care, temporary foster care and permanent foster care.

Furthermore, according to the second Additional Provision of said Law 26/2015 "all references made in laws and other provisions to pre-adoption foster care shall be understood as being made to the delegation of custody for pre-adoption cohabitation provided for in article 176 bis of the Civil Code. Those made to simple foster care shall be understood as being made to the temporary family foster care provided for in article 173 bis of the Civil Code; and when they are made to the Collaborating Entities for international adoption, they shall be understood as being made to the organizations accredited for international adoption."

Also exempt are **financial aid** granted by public institutions to **people with a degree of disability equal to or greater than 65 percent or over 65 years of age to finance their stay in residences or day centers**, provided that the rest of their income does not exceed twice the public indicator of income for multiple effects (IPREM), which for the exercise 2025 amounts to 16,800 euros (8,400 x 2).

The "multi-effects public income indicator" (IPREM) for 2025 is set at 8,400 euros, in accordance with the provisions of the ninetieth Additional Provision of Law 31/2022, of December 23, on the General State Budget for the year 2023 (BOE of December 24), extended to 2024 and 2025. Please note that, in accordance with the provisions of Article 134.4 of the Spanish Constitution, they are understood to be extended until 2024. and 2025 the General State Budgets for 2023.

10. Scholarships

Regulations: Articles 7.j) Law IRPFABBR and 2 RegulationsIRPFABBR

A) Scholarships to pursue regulated studies

A.1. Scholarships included

The following scholarships are exempt :

- **Public scholarships.**
- **Scholarships awarded by non-profit entities** to which the special regime regulated in Title II of Law 49/2002, of December 23, on the tax regime of non-profit entities and tax incentives for patronage, applies.
- **Scholarships awarded by banking foundations** regulated in Title II of Law 26/2013, of December 27, on savings banks and banking foundations in the development of their social work activity.

A.2. Purpose for which it is granted

When they are received to pursue **regulated studies** , both in Spain and abroad, **at all levels and grades of the educational system**.

In Spain, the education system offers early childhood education, primary education, compulsory secondary education and high school, vocational training (basic, intermediate and advanced), university education (which in turn includes a degree, master's or doctorate) and special regime education that can be artistic, language and sports. See in this regard article 3 of Organic Law 2/2006, of May 3, on Education (BOE of May 4) and Royal Decree 822/2021, of September 28, which establishes the organization of university education and the procedure for ensuring its quality (BOE of September 29).

A.3. Requirements and conditions for your application

- **In the case of public scholarships received to pursue regulated studies** , the exemption is conditional on the granting of the same being in accordance with the principles of merit and capacity, generality and non-discrimination in the conditions of access and publicity of the call.

no case are study grants awarded by a Public Entity in which the recipients are exclusively or primarily its employees or their spouses or relatives, in a direct or collateral line, consanguineous or by affinity, up to the third degree inclusive, of the same, exempt.

- **In the case of scholarships awarded by non-profit entities and banking foundations** mentioned above, the above principles will be deemed to have been met when the following requirements are met:
 - a. That the recipients are generic groups of people, without any limitation being established with respect to them for reasons other than the nature of the studies to be carried out and the activities specific to their statutory object or purpose.
 - b. That the announcement of the Call be published in the Official Gazette of the State or the Autonomous Community and, either in a national newspaper of wide circulation, or on the entity's website.
 - c. That the award is carried out on a competitive basis.

A.4. Exempt amounts

The exempt amount will cover the tuition fees, or amounts paid for an equivalent concept to be able to pursue such studies, and the personal accident and health care insurance of which the scholarship holder is a beneficiary and, where applicable, the spouse and child of the scholarship holder, provided that they do not have Social Security coverage.

Additionally, a maximum financial endowment of:

- **6,000 euros per year** , as a general rule, if the scholarships are for studies up to the second university cycle.
- This last amount rises to a maximum of **euros** year when the financial endowment is intended to compensate for transport and accommodation costs.
- **21,000 euros per year** when studies up to the second university cycle are carried out abroad.

If the purpose of the scholarship is to carry out postgraduate studies , the financial endowment will be exempt up to a maximum amount of :

- **21,000 euros per year** , in general.
- **24,600 euros per year**, when studying abroad.

When the duration of the scholarship is less than a calendar year, the maximum exempt amount will be the corresponding proportional part.

B) Research training scholarships

B.1. Scholarships and purposes for which the exemption is granted

Understands

a) Scholarships awarded for research in the field described by Royal Decree 63/2006, of January 27, approving the Statute of research personnel in training (BOE of February 3) when it concerns:

- **Public scholarships.**
- **Scholarships awarded by non-profit entities** to which the special regime regulated in Title II of Law 49/2002, of December 23, on the tax regime of non-profit entities and tax incentives for patronage, applies.
- **Scholarships awarded by banking foundations** regulated in Title II of Law 26/2013, of December 27, on savings banks and banking foundations in the development of their social work activity.

These grants will be exempt provided that the research aid program **has been recognized and registered in the General Registry of research aid programs** referred to in article 3 of the aforementioned Royal Decree 63/2006.

In no case will amounts paid within the framework of an employment contract be considered a scholarship.

In relation to this exemption, it should be noted that Royal Decree 63/2006 (now repealed) was applicable to any aid programme aimed at the development of scientific and technical training and specialisation activities, regardless of the public or private nature of the calling entity and that, as established in its article 2, its scope of application was delimited by compliance with certain requirements, including, among others, the following:

- Scholarship recipients were required to be university graduates.
- The scholarships were to be directed towards the development of scientific and technical training and specialization activities.
- The scholarships had to be awarded in compliance with the principles of publicity, equality, merit and capacity in the granting of the corresponding aid.
- The programmes must require the dedication of research personnel in training to the scientific or technical training and specialisation activities that are the object of the aid, without prejudice to the provisions of article 7 c) of the aforementioned Royal Decree.

The scholarship did not include activities in entities of university graduates who received aid aimed at scientific and technical development and specialization not linked to official doctoral studies.

Add that the aforementioned Royal Decree 63/2006 has been repealed by Royal Decree 103/2019, of March 1 , which approves the Statute of predoctoral research personnel in training (BOE of March 15).

According to its article 1, Royal Decree 103/2019 "aims to develop the legal regime of the employment relationship established by the predoctoral contract provided for in article 21 of Law 14/2011, of June 1, on Science, Technology and Innovation, when signed between predoctoral research personnel in training and the public entities listed in article 20.2 of said law, or the private entities referred to in the first Additional Provision thereof."

Likewise, Article 2 of Royal Decree 103/2019 provides that:

"1. This Royal Decree shall apply to any predoctoral contract according to the modality and conditions defined in the previous article, regardless of the public or private nature of the contracting entity. All contracts will be in accordance with the provisions of the predoctoral contract, the basic regulation of which is contained in Law 14/2011, of June 1, and which is developed in this Royal Decree.

2. Predoctoral recruitment under the modality and conditions defined in the previous article must respect the principles of publicity, equality, merit and capacity in the granting of aid or in the corresponding selection processes.

3. This Royal Decree will not include the activity of persons in possession of a bachelor's degree, engineer's degree, architect's degree or university degree who are beneficiaries of aid aimed at scientific and technical development and specialization not linked to official doctoral studies, or who have been hired under any other modality other than the predoctoral modality of article 21 of Law 14/2011, of June 1."

b) Scholarships awarded for research purposes to civil servants and other personnel in the service of the Public Administrations and to teaching and research staff of universities, when they concern:

- **Public scholarships.**
- **Scholarships awarded by non-profit entities** to which the special regime regulated in Title II of Law 49/2002, of December 23, on the tax regime of non-profit entities and tax incentives for patronage, applies.
- **Scholarships awarded by banking foundations** regulated in Title II of Law 26/2013, of December 27, on savings banks and banking foundations in the development of their social work activity.

B.2. Requirements for its application

- For the **scholarships indicated in letter a) of the previous section**, when it comes to public scholarships, the award must be in accordance with the principles of merit and capacity, generality and non-discrimination in the conditions of access and publicity of the call.
- For the **scholarships indicated in letter b) of the previous section** the bases of the call must expressly provide as a requirement or merit that the recipients are civil servants, personnel in the service of the Public Administrations and teaching and research staff of the Universities.

This does not mean that all beneficiaries of the grant must be civil servants or employees of the Public Administration or teaching and research staff of universities, although only the latter will benefit from the exemption.

The convening body, when granting the scholarship, is aware of and has assessed this circumstance. In this sense, the exemption cannot be made conditional on subsequent proof of membership in one of these categories, since this would imply that the status of beneficiary of the scholarship has little or nothing to do

with the status of civil servant or university professor.

- For the scholarships of both **letter a)** and **letter b)** of the previous section, when they are **awarded by the non-profit entities and banking foundations** mentioned above, the following requirements must be met:
 - That the recipients are generic groups of people, without any limitation being established with respect to them for reasons other than the nature of the activities inherent to their statutory object or purpose.
 - That the announcement of the Call be published in the Official Gazette of the State or the Autonomous Community and, either in a national newspaper of wide circulation, or on the entity's website.
 - That the award is carried out on a competitive basis.

B.3. Exempt amount

The exemption will cover the entire **economic endowment** derived from the aid program of which the taxpayer is a beneficiary.

The exempt financial endowment will include complementary aid intended to compensate for travel, food and lodging expenses derived from attending forums and scientific meetings, as well as temporary stays at universities and research centers other than those to which they are affiliated in order to complete, in both cases, the research training of the scholarship holder.

Note: "Scholarships for research in the field described by Royal Decree 63/2006, of January 27, which approves the Statute of research personnel in training" .

*Please note that Royal Decree 103/2019, of March 1, approving the Statute of predoctoral research staff in training, **repealed**, with effect from March 16, 2019, Royal Decree 63/2006, of January 27, approving the Statute of research staff in training.*

Summary table of the maximum annual financial award exempt from scholarships

Subject		Spain	Foreign
Formal studies up to the second university cycle	Not including transportation and accommodation costs	6,000	--
	Including transportation and accommodation costs	18,000	21,000
Third cycle university formal studies	Including complementary aids	21,000	24.600

Subject		Spain	Foreign
Research grants	Including complementary aids	Total amount received	
Note to table : When the duration of the scholarship is less than a calendar year, the maximum exempt amount will be the proportional part that corresponds			

11. Annuities for foodstuffs in favour of children

Regulations: Art. 7.k) Law IRPFABBR

Amounts received by children from their parents in the form of annual alimony payments by virtue of a court decision are exempt.

Likewise, following the amendments introduced to the Civil Code by the First Final Provision of Law 15/2015, of July 2, on Voluntary Jurisdiction, the exemption applies to the amounts received in annual alimony payments agreed upon in:

- The regulatory agreement referred to in Article 90 of the Civil Code, approved by the judicial authority or formalized before the lawyer of the Administration of Justice or in a public deed before a Notary, regardless of whether said agreement derives or not from any legally provided means of dispute resolution.
- The equivalent Agreement provided for in the regulations of the Autonomous Communities, under the same conditions as above. That is, approved by the judicial authority or formalized before the clerk of the Court of Justice or Notary.

These amounts are taxed by the payer, who cannot reduce his tax base by the amount of the same. However, the taxpayer who provides this type of benefit, without the right to apply the minimum allowance for dependents provided for in Article 58 of the Law of IRPFABBR. When the amount is less than the general taxable base, the tax scales will be applied separately to the amount of the alimony payments to the children and to the rest of the general taxable base.

Regarding taxpayers who are not entitled to apply the minimum for descendants, Resolutions of TEAC of May 29, 2023, Claims numbers 00/08646/2022/00/00 and 00/10590/2022, both issued in an extraordinary appeal for unification of criteria, have established the following criteria:

- Parents who have been assigned joint custody of their children will be entitled to the application of the minimum for descendants, which will be prorated equally, and it will not be possible to apply the regime provided for annual maintenance payments by the parent who, where applicable, pays them.
- The parent who pays annual alimony for the benefit of the children and who has not been assigned custody of them, not even on a shared basis, will apply the regime provided for annual alimony, but not the minimum for descendants.

- The parent who, without having been assigned custody of the children, not even on a shared basis, and without paying annual child support payments in their favor by court decision, **contributes**, nevertheless, to their financial support, will be entitled to the application of the minimum for descendants based on the dependency criterion referred to in article 58 of the Personal Income Tax Law, a minimum that must be prorated equally with the parent who has custody.

Remember : take into account the [treatment for the payer of annuities](#) for child support as discussed in Chapter 15 and the [reductions for compensatory pensions and alimony payments](#) which are discussed in Chapter 13 of this Manual .

12. Relevant literary, artistic or scientific awards declared exempt by the Tax Administration and Princess of Asturias awards

Regulations: Articles 7.I) Law IRPFABBR and 3 RegulationsIRPFABBR.

See also Order EHA/3525/2008, of November 20, which establishes the procedure for declaring the exemption of IRPFABBR of certain literary, artistic or scientific prizes (BOE December 5th).

A. In general

The granting of goods or rights to one or more persons, without compensation, in reward or recognition of the value of literary, artistic or scientific works, as well as the merit of their activity or work, in general, in such matters, will be considered a relevant literary, artistic or scientific award.

In order for prizes to be declared exempt **they must meet the following conditions**

a. Your call for applications must meet the following requirements established in article 3.3 of the Regulations of IRPFABBR which are:

- Have national or international character.
- Not to establish any limitations regarding the contestants for reasons other than the essence of the prize.
- That the announcement be made public in the Official Gazette of the State or the Autonomous Community and in at least one national newspaper of major circulation (except in the case of awards held abroad or by International Organizations).

b. The prize must be awarded for works executed or activities developed prior to the call for applications, and therefore scholarships, grants and, in general, amounts intended for the prior or simultaneous financing of works or tasks related to literary, artistic or scientific subjects are excluded from this exemption.

c. The exemption of relevant literary, artistic or scientific awards **must have been expressly declared by the Director of the Tax Management Department of the State Tax Administration Agency** through the procedure regulated by Order EHA/3525/2008, of November 20, which establishes the procedure for declaring the exemption from personal income tax of certain literary, artistic or scientific awards (BOE of December 5).

The declaration of exemption will be valid for subsequent calls provided that these do not modify the terms that were taken for the purposes of granting the exemption. If these terms are modified in successive calls, or any of the requirements for their application are not met, the right to their application will be declared lost.

The list of literary, artistic or scientific prizes declared exempt by the Tax Agency can be consulted on the page sede.agenciatributaria.gob.es

B. The "Princess of Asturias" awards

The "Princess of Asturias" awards, in their different modalities, awarded by the Princess of Asturias Foundation are hereby declared exempt. ##

13. Aid to high-level athletes, with a limit of 60,100 euros

Regulations: Articles 7.m) Law IRPFABBR and 4 Regulations IRPFABBR

Financial aid for training and sports development, adjusted to the preparation programs established by the Higher Sports Council with the Spanish sports federations or with the Spanish Olympic Committee, which meet the following requirements, are exempt, up to a limit of 60,100 euros per year:

- That its beneficiaries have been recognized as high-level athletes, in accordance with the provisions of Royal Decree 971/2007, of July 13, on high-level and high-performance athletes (BOE of July 25).

Note that Royal Decree 971/2007 repealed, with effect from 26 July 2007, Royal Decree 1467/1997, of 19 September, on high-level athletes referred to in Article 4 of the Regulations of IRPFABBR.

- That they are financed, directly or indirectly, by the Higher Sports Council, by the Olympic Sports Association, by the Spanish Olympic Committee or by the Spanish Paralympic Committee.

14. Unemployment benefits received in the single payment modality

Regulations: Art. 7.n) Law IRPFABBR

Unemployment benefits granted by the respective managing entity are exempt, regardless of their amount, when they are received in the form of a single payment established in Royal Decree 1044/1985, of June 19, which regulates the payment of unemployment benefits in the form of a single payment (BOE of July 2), provided that the amounts received are used for the purposes and in the cases provided for in the aforementioned regulation.

Please note that, with effect from 10 October 2015, article 34.1 of Law 20/2007, of 11 July, on the Statute of Self-Employment (BOE of 12 July) provides that the provisions of Royal Decree 1044/1985, of 19 June, establishing the payment of unemployment benefits in the form of a single payment, will be maintained, including any amendments incorporated by subsequent regulations, insofar as they do not conflict with the rules indicated in this same section 1 of article 34.

The cases for which the single unemployment payment can be requested are:

- Starting a self-employed activity.
- Joining an existing or newly created cooperative as a working or permanent member.
- The creation of a labour company or joining an existing one, as a working partner or as a permanent employee.
- Contribution to the share capital of a newly created company or commercial entity or one established within a maximum period of twelve months prior to the contribution, provided that they will have effective control of it, and carry out a professional activity therein, covered by the Special Regime for Self-Employed Workers (RETA) or the Special Regime of Social Security for Sea Workers.

This exemption **will be conditional** on maintaining the action or participation for a period of five years, in the event that the taxpayer has joined labor companies or worker cooperatives or has made a contribution to the share capital of a commercial entity, or on maintaining, for the same period, the activity, in the case of a self-employed worker.

15. Long Term Savings Plans

Regulations: Art. 7.ñ) and Twenty-sixth Additional Provision of the Law IRPFABBR

The following are exempt: **positive returns** of movable capital derived from life insurance, deposits and financial contracts through which Long-Term Savings Plans are implemented, as referred to in the Twenty-Sixth Additional Provision of the Law of IRPFABBR, **provided that the taxpayer does not carry out any provision** of the capital resulting from the Plan before the end of the five-year period from its opening.

[Long-Term Savings Plans](#) are discussed in more detail in Chapter 5.

Any disposition of the aforementioned capital or non-compliance of any other requirement set forth in the Twenty-Sixth Additional Provision of the Law of IRPFABBR before the end of that period, **will determine the obligation to integrate the returns** referred to in the previous paragraph, generated during the validity of the Plan in the tax period in which such non-compliance occurs..

The exemption only applies to **positive returns** on movable capital. **negative returns** that be obtained during the term of the Long-Term Savings Plan, including any that may be obtained upon termination of the Plan, will be imputed to the tax period in which such termination occurs and only in the portion of the total amount of such negative returns that exceeds the sum of the returns from the to which the exemption would have been applied.

16. Bonuses for participation in international peace or humanitarian missions to the members of said missions and compensation for international peace and security operations

Regulations: Articles 7.o) Law IRPFABBR and 5 RegulationsIRPFABBR

Amounts paid by the Spanish State to members of international peacekeeping or humanitarian missions for the following reasons are exempt:

- a. Extraordinary gratuities of any nature that respond to the performance of the international peace or humanitarian mission.
- b. Compensation or benefits paid for personal injuries suffered during the same.

Also declared exempt are the amounts received as a result of the **compensation to participants in international peace and security operations** referred to in articles 1 and 2 of Royal Decree-Law 8/2004, of November 5 (BOE of November 10), in the wording given by Organic Law 7/2007, of July 2 (BOE of July 3).

The compensation established in Royal Decree-Law 8/2004 is applicable to:

- a. Spanish military personnel who participate in peacekeeping operations, humanitarian assistance or other international operations that have been specifically approved by the Government for these purposes, including those who, dependent on the Ministry of Defence, form part of the crew of the means of transport in which the trips are made.
- b. Members of the State Security Forces and Corps who participate in the aforementioned operations.
- c. Personnel in the service of the Public Administrations, including those contracted in Spain on an individual basis by the State, who travel to the territory in which the operation is carried out to participate in it or who are assigned to said territory.

Precision: Article 7 of Royal Decree-Law 8/2004, of November 5, declared the exemption in the IRPFABBR of the amounts received as a result of the compensation referred to in Royal Decree-Law 8/2004 and the first repealing provision.2. Article 16 of the Law of IRPFABBR has declared the aforementioned article 7 to be in force.

17. Work income received for work actually carried out abroad, with a limit of 60,100 euros per year

Regulations: Articles 7.p) Law IRPFABBR and 6 Regulation IRPFABBR

Requirements

from work actually performed abroad is exempt when the following requirements met:

a) That the work is carried out for a company or entity not resident in Spain or a permanent establishment located abroad .

In particular, when the entity receiving the work is linked to the entity that employs the worker or to the entity in which the worker provides his or her services, it will be understood that the work has been carried out for the non-resident entity when, in accordance with the provisions of article 18.5 of the LIS it can be considered that an intra-group service has been provided to the non-resident entity because the aforementioned service produces or may produce an advantage or utility for the recipient entity.

Note: For the application of this exemption to income obtained abroad by officials posted to international organizations, see Supreme Court ruling No. 428/2019, of March 28 (RED : STS 1056/2019).

b) That in the territory where the work is carried out, a tax of an identical or similar nature to that of the IRPFABBR and it is not a country or territory classified by regulation as a tax haven (currently, a non-cooperative jurisdiction).

This requirement is considered to be met when the country or territory in which the work is carried out has signed an agreement with Spain to avoid international double taxation that contains an information exchange clause. For the rest of the countries (with which there is no Agreement), it will be necessary to be aware of the existence of an identical or similar tax.

You can access the list of Double Taxation Agreements signed by Spain on the AEAT website: <https://sede.agenciatributaria.gob.es>.

Note: Although Article 7.p) of the Personal Income Tax Law expressly refers to "tax havens", it must be taken into account that, according to the new Tenth Additional Provision of Law 36/2006, of November 29, on measures for the prevention of tax fraud, all references made in the regulations of IRPFABBR to tax havens, to countries or territories with which there is no effective exchange of information, or with zero or low taxation **They will be understood to apply to the definition of non-cooperative jurisdiction** which is established by the First Additional Provision of the aforementioned Law 36/2006, in its wording in force from 11 July 2021, and which is discussed in chapter 10 of this manual.

The second transitional provision of Law 36/2006, of November 29, on measures for the prevention of tax fraud establishes that as long as the countries or territories that are considered non-cooperative jurisdictions are not determined by Ministerial Order, the countries or territories provided for in Royal Decree 1080/1991 will have such consideration.

Well then, The Order, effective February 11, 2023, was published HFPRoyal Decree 115/2023 of 9 February, which determines the countries and territories, as well as the detrimental tax regimes, that are considered non-cooperative jurisdictions (Official State Gazette of 10 February), which updates the list of countries and territories included in Royal Decree 1080/1991 of 5 July, although in IRPFABBR has not been applied until the 2024 tax year, being generally applicable ever since.

See the list of countries and territories officially classified as [non-cooperative jurisdiction](#) and the notes on the aforementioned list of countries and territories that appear in Chapter 10 of this Manual.

Quantification of the exempt amount

The exemption will have a maximum limit of 60,100 euros per year.

In order to calculate the remuneration corresponding to work performed abroad, the days that the worker has actually been posted abroad must be taken into account, as well as the specific remuneration corresponding to services provided abroad.

For these purposes, the Supreme Court Ruling No. 274/2021, of February 25, 2021, issued in appeal for cassation number 1990/2019 (ROJ : STS 607/2021), has established as an interpretative criterion that the days of travel to the country of destination or return to Spain must be understood to be included in the calculation of the amount of the exemption.

To calculate the amount of income earned each day for work performed abroad, apart from the specific remuneration corresponding to said work, a proportional distribution criterion will be applied taking into account the total number of days in the year.

Precision: Regarding the **calculation of exempt income** corresponding to non-specific remuneration, the TEAC has established the following criteria:

- In cases where there has been only one employment relationship (one payer) during the entire tax period:
 - If during the entire tax period there has been a relationship of alienation with the payer of the aforementioned income, for the purposes of carrying out the proportional calculation of the income accrued each day for work performed abroad, apart from the specific remuneration corresponding to the aforementioned work, the denominator will be the total number of days in the year .
 - Otherwise (duration less than a year), the length of service provided to the aforementioned payer during the tax period analyzed must be taken into account.
- In the event that taxpayer **has maintained two or more employment relationships or relationships of third parties in the tax period**, the calculation of the exemption corresponding to non-specific remuneration will be carried out individually for each of the payers in whose employment relationship or relationship there has been a transfer abroad, taking into account the rules indicated in the previous point, that is, taking into account the remuneration paid by him as well as the duration, in each tax period, of each employment relationship or relationship of third parties, without prejudice to the aggregate application of the quantitative limit of 60,100 euros.

See the Resolution of the Economic-Administrative Court (TEAC) of July 19, 2024, Claim number 00/08685/2023, filed in an appeal for the unification of criteria.

Incompatibility with the excess regime

Finally, this exemption is incompatible, for taxpayers posted abroad, with the [regime of excesses](#) excluded from taxation for remuneration received by employees of companies and civil servants posted abroad provided for in article 9.A.3.b) of the Personal Income Tax Regulations, whatever their amount. The taxpayer may choose to apply the excess regime instead of this exemption.

Unlike the excess regime of article 9.A.3.b) of the Personal Income Tax Regulations, the amounts received for travel and accommodation to which the general regime of allowances exempt from taxation of article 9.A.3.a) of the Personal Income Tax Regulations applies are compatible with the exemption for work performed abroad.

Example :

Mr. JLM It was sent by your company from April 1st to June 30th. 2025 to a company located in Canada to participate in a project consisting of the engineering, supply, construction and commissioning of a new base refinery for the production of clean fuels. Once this work was done, Mr. JLM He returned to Spain, continuing in the company under his normal work and salary regime.

As specific remuneration for services rendered abroad, Mr. JLM received the amount of 15,200 euros.

In addition, to cover travel and subsistence expenses during his stay in Canada, the company purchased and paid for his plane tickets and paid him 80 euros per day for subsistence expenses during the three months he provided his services to the Canadian company.

Determine the amount exempt from remuneration corresponding to work performed abroad, knowing that the annual salary received from the company amounts to 75,000 euros.

Solution:

Since the requirements established by the Personal Income Tax regulations are met, according to the data in the example, the exemption must be applied, the quantification of which is carried out as follows:

a) Remuneration earned during days spent abroad:

- Corresponding to the salary: $(75,000 \div 365) \times 91 = 18,698.63$
- Corresponding to services provided abroad (*) = 15,200
- Total $(18,698.63 + 15,200) = 33,898.63$

(*) Airline tickets and daily living expenses are exempt because they do not exceed the legal limit. See the section on [per diems and travel allowances](#) exempted in Chapter 3 of this Manual. [\(Back\)](#)

b) Amount of the exemption: $(18,698.63 + 15,200) = 33,898.63$ (**)

(**) This amount falls within the maximum annual exemption limit of 60,100 euros.

18. Compensation paid by Public Administrations for personal injuries

Regulations: Art. 7.q) Law IRPFABBR

Compensation paid by Public Administrations for personal injury (physical, psychological, or moral) resulting from the operation of public services is exempt from VAT when established in accordance with the procedure provided for in both Law 39/2015, of October 1, on the Common Administrative Procedure of Public Administrations, which regulates in its articles 65, 67, 81, 86.5, 91, and 92 the specific features of the procedure for liability claims, and Law 40/2015, of October 1, on the Legal Regime of the Public Sector, which specifically dedicates its Chapter IV, articles 32 to 37 inclusive, to regulating the regime of liability claims of Public Administrations regarding its principles, concurrent liability, scope of compensation, private law liability, and the enforcement of liability claims by authorities and personnel serving the Public Administrations. Public Administrations and Criminal Liability.

Note: Law 39/2015, of October 1, on the Common Administrative Procedure of Public Administrations (Official State Gazette of October 2) repealed, with effect from October 2, 2016, Royal Decree 429/1993, of March 26, which approves the Regulation of the procedures of the Public Administrations in matters of patrimonial liability without this implying any alteration in the scope of the exemption.

Note: *Compensatory interest for late payment corresponding to exempt compensation is also exempt in accordance with the provisions of Article 7 of the Law of IRPFABBR. The reason is that the fixed interest, as an accessory obligation, must be considered the same as the main concept from which it derives and be classified, in these cases, as exempt capital gain. See in this regard the Resolution of the Central Economic-Administrative Court (TEAC), dated May 10, 2018, Claim number 00/05260/2017, issued in an extraordinary appeal for the unification of criteria.*

19. Benefits received for burial or burial

Regulations: Articles 7.r) Law IRPFABBR and 12.1 d) Regulation IRPFABBR

Benefits received for burial or funeral are exempt up to the limit of the total amount of expenses incurred for this reason.

Benefits of workers or civil servants, both public and paid by orphanages and similar institutions, companies and public entities, that exceed the exempt limit will be considered as work income obtained in a notoriously irregular manner over time and a 30% reduction will be applicable to them, when they are imputed in a single tax period.

20. Financial aid for people with haemophilia or other congenital coagulopathies who have developed hepatitis C

Regulations: Art. 7.s) Law IRPFABBR

Financial aid is exempt for people with haemophilia or other congenital coagulopathies who have developed hepatitis C as a result of having received treatment with coagulation factor concentrates within the public health system, regulated in article 2 of Law 14/2002, of June 5 (BOE of June 6).

This aid consists of a one-time payment of 18,030.36 euros and is compatible with any public pension that the beneficiary is entitled to receive.

According to article 1 of Law 14/2002, of June 5, the following are considered beneficiaries of these social aids:

- a. People with haemophiliacs or other congenital coagulopathies who, having developed hepatitis C as a result of having received treatment with coagulation factor concentrates within the public health system, are included in the definitive census provided for in article 80 of Law 55/1999, of December 29, on Fiscal, Administrative and Social Order Measures.
- b. In the event that the persons included in the census have died, the following may receive social assistance:

- minor children and disabled adults, in equal parts,
- in their absence, the spouse not legally separated or, where applicable, the person who had been living with the deceased permanently with a similar emotional relationship to that of the spouse, for at least two years prior to the time of death,
- in the absence of the above, the parents of the deceased persons.

The procedure for processing and granting these financial aids is regulated by Royal Decree 377/2003, of March 28 (BOE of March 29).

21. Hedging instruments for risk of increase in the variable interest rate of mortgage loans intended for the acquisition of a primary residence

Regulations: Art. 7.t) Law IRPFABBR

Income derived from the application of hedging instruments is exempt when it exclusively covers the risk of an increase in the variable interest rate of mortgage loans for the acquisition of a primary residence, regulated in article nineteen of Law 36/2003, of November 11, on economic reform measures (BOE of November 12).

Regarding the concept of habitual residence, see Additional Provision Twenty-Third of the Personal Income Tax Law and Article 41 bis of the Regulations.

22. Compensation from the State and the Autonomous Communities to compensate for the deprivation of liberty

Regulations: Art. 7.u) Law IRPFABBR

The compensation provided for in the legislation of the State and the Autonomous Communities to compensate for the deprivation of liberty in penitentiary establishments as a result of the cases contemplated in Law 46/1977, of October 15, on Amnesty, are exempt.

Article 7 of Law 52/2007, of December 26, which recognizes and extends rights and establishes measures in favor of those who suffered persecution or violence during the civil war and the dictatorship (BOE of December 27) modified the scope of application of compensation in favor of those who suffered imprisonment as a result of the cases contemplated in Law 46/1977, of October 15, on Amnesty, in order to include cases that were previously excluded from the granting of compensation for time spent in prison during the Dictatorship.

It should be noted that Law 52/2007 has been repealed by the sole repealing provision of Law 20/2022, of October 19, on Democratic Memory (BOE of October 21), which retains the economic reparation measures contemplated therein and makes the necessary updates to its content.

23. Individual savings plans

Regulations: Art. 7.v) and Third Additional Provision of the Law IRPFABBR

Income that becomes apparent at the time of the **establishment of guaranteed life annuities resulting from individual systematic savings plans** referred to in the Third Additional Provision of the Law of IRPFABBR, as well as in the **transformation of certain life insurance contracts into individual systematic savings plans** in the terms and with the

requirements established in the fourteenth transitional provision of the Law of IRPFABBR.

See Chapter 5 for comments on [individual systematic savings plans](#).

24. Work income derived from benefits obtained in the form of income by people with disabilities corresponding to contributions to social security systems and contributions to protected assets

Regulations: Art. 7.w) Law IRPFABBR

Income from work derived from benefits received as an annuity by persons with disabilities corresponding to contributions to social security systems referred to in Article 53 of the Law is exempt. IRPFABBR, up to a maximum annual amount of three times the public indicator of income for multiple effects (for the year 2025 this amount is the result of $8,400 \times 3 = 25,200$ euros).

The annual amount of the Public Indicator of Income for Multiple Effects (IPREM) is 8,400 euros, in accordance with the provisions of the ninetieth Additional Provision of Law 31/2022, of December 23, on the General State Budget for the year 2023 (BOE December 24th), since these budgets are understood to be extended for 2024 and 2025.

Also exempt, with the same limit as indicated in the previous paragraph, are employment income derived from contributions to protected assets of persons with disabilities referred to in the Eighteenth Additional Provision of the Law on IRPFABBR.

See in Chapter 3 of this Manual the table on "[Contributions to protected assets of people with disabilities](#)" in which it is established who can be a beneficiary and contributor with the right to a reduction, the applicable tax treatment in each case and the date of acquisition and valuation of assets and rights contributed.

Clarifications:

These employment benefits are exempt from this type of income provided that such benefits derive from contributions made to pension plans established in favor of people with a degree of physical or sensory disability equal to or greater than 65%, a mental disability equal to or greater than 33% or with a judicially declared incapacity. If at the time of receiving the benefit you have been recognised as having a mental disability of less than 33%, even if the contributions to the pension plan have been made under the special regime, the exemption will not apply.

It should also be noted that benefits derived from contributions made to pension plans under the general system will not be eligible for this exemption, even if the taxpayer has been recognised as having a disability. In this regard, consolidated or economic rights generated with contributions made to pension plans of the general regime can in no case be covered by the special regime provided for pension plans in favour of people with disabilities, since the option of the special regime must be prior to the making of contributions.

The exemption extends to work income derived from benefits obtained in the form of income by people with disabilities, corresponding not only to the protected assets established under Law 41/2003, of 18 November, on the protection of the assets of people with disabilities and the amendment of the Civil Code, the Civil Procedure Act and Tax Regulations, but also to those established in accordance with the regional laws that regulate this figure for the same purpose in the different Autonomous Communities with constitutional powers to regulate their own civil, regional or special law in this matter.

Likewise, as a consequence of the introduction by Law 13/2023, of May 24 (BOE of May 25) of the Third Additional Provision in Law 41/2003, of November 18, on the asset protection of people with disabilities and modifying the Civil Code, the Civil Procedure Law and the Tax Regulations for this purpose, the exemption

extends to employment income derived from contributions to protected assets established both under the aforementioned Law 41/2003 and in accordance with the regional laws that regulate this figure for the same purpose in the different Autonomous Communities with constitutional powers to regulate their own civil, regional or special law in this matter.

Furthermore, the new Third Additional Provision introduced in Law 41/2003 establishes the **presumption** that the disabled person for whose benefit the protected estate is established is the owner of the assets and rights that make up said estate and that the contributions made to it by persons other than said owner constitute transfers to it for profit.

Note: Since 1 January 2015, the exemption limit is no longer joint and is applied individually and separately for each of the two previous returns.

25. Public financial benefits linked to the service, for care in the family environment and personalized assistance

Regulations: Art. 7.x) Law IRPFABBR

Public economic benefits linked to the service, for care in the family environment and personalized assistance derived from Law 39/2006, of December 14, on the Promotion of Personal Autonomy and Care for People in Situations of Dependency (BOE of December 15) are exempt.

See Royal Decree 1051/2013, of December 27, which regulates the benefits of the System for Autonomy and Care for Dependency, established in Law 39/2006, of December 14, on the Promotion of Personal Autonomy and Care for People in Situations of Dependency (BOE of December 31), amended by Royal Decree 675/2023, of July 18 (BOE of July 19), which increases the maximum amounts of economic benefits and establishes their minimum amount. See also the tenth transitional provision of Royal Decree-Law 20/2012, of July 13, on measures to guarantee budgetary stability and promote competitiveness (BOE of July 14) which sets the maximum amounts of economic benefits for care in the family environment, personal assistance and the benefit linked to the service.

26. Minimum vital income, minimum insertion income and aid for victims of violent crimes and gender violence

Regulations: Art. 7.y) Law IRPFABBR

The following are exempt:

- The Social Security benefit of the Minimum Vital Income regulated by Law 19/2021, of December 20.

Precision: Please note that Law 19/2021, of December 20, establishing the minimum vital income, which came into force on January 1, 2022, comes from the processing as a bill of Royal Decree-Law 20/2020, of May 29, and replaces it.

Childhood aid supplement for beneficiaries of the minimum vital income

Article 11.6 of Law 19/2021 establishes a supplement to child support for those cohabitation units that include minors among their members and whose computable income in the year immediately preceding the application is less than 300% of the guaranteed income and does not exceed 150% of the asset limit established for the minimum vital income.

This supplement consists of a monthly amount for each minor member of the cohabitation unit, which varies depending on the age reached by the minor on January 1 of the corresponding year, according to the following sections:

- Children under three years old: 100 euros.
- Over three years old and under six years old: 70 euros.
- Over six years old and under 18 years old: 50 euros

Regarding the perception of the child support supplement, it is necessary to distinguish:

1. Cohabitation units that are beneficiaries of the minimum vital income benefit. For them, the supplement is an amount that is added, where applicable, to the amount corresponding to the application of article 13. 1 of Law 19/2021 and is calculated by the difference between the corresponding guaranteed income and the income of the beneficiary or the members of the cohabitation unit from the previous year. Although it is an amount that represents a fixed amount and is independent of the above, it has the nature of a minimum vital income benefit,
2. Cohabitation units that are NOT beneficiaries of the minimum vital income benefit, but meet the requirements to be entitled to the supplement, that is, that their income does not exceed 300% of the guaranteed income and their assets are less than 150% of the asset limit established for the minimum vital income. In this case, too, it is in the nature of a minimum living income benefit.

The child support supplement also replaces the allowance for children or dependent minors without disabilities or with disabilities of less than 33%, which was regulated in Chapter I of Title VI of the consolidated text of the General Social Security Law.

- The economic benefits established by the Autonomous Communities in the form of a minimum insertion income to guarantee economic subsistence resources for people who lack them, as well as other aid established by these or by local entities to attend, in accordance with their regulations, to groups at risk of social exclusion, situations of social emergency, housing needs of people without resources or food needs, schooling and other basic needs of minors or people with disabilities when they or people in their care lack sufficient economic means.

Joint limit: in all these cases (minimum vital income, which includes, where applicable, the supplement for child assistance; and the economic benefits related in the second point, mentioned above) the exemption reaches up to a **maximum annual amount** set of 1.5 times the public indicator of income for multiple effects (for the year 2025 the maximum amount is 12,600 euros).

The annual amount of the Public Indicator of Income for Multiple Effects (IPREM) is 8,400 euros, in accordance with the provisions of the ninetieth Additional Provision of Law 31/2022, of December 23, on the General State Budget for the year 2023 (BOE of December 24), since these budgets are understood to be extended for 2024 and 2025.

- Likewise, the aid granted to victims of violent crimes referred to in Law 35/1995, of December 11, on aid and assistance to victims of violent crimes and crimes against sexual freedom, and the aid provided for in Organic Law 1/2004, of December 28, on

Comprehensive Protection Measures against Gender Violence, and other public aid paid to victims of gender violence due to such condition.

27. Family benefits and aid received from any of the public administrations, whether linked to the birth, adoption, fostering or care of minor children.

Regulations: Art. 7.z) Law IRPFABBR

Family benefits and assistance received from any of the Public Administrations are exempt, whether linked to birth, adoption, foster care or care of minor children.

Clarifications:

- The benefits regulated by Royal Decree 1148/2011, of July 29, for the application and development, in the Social Security system, of the economic benefit for the care of minors affected by cancer or another serious illness, are considered exempt income.

Unlike the above, this exemption does not apply to the remuneration received by public officials who have been granted leave to care for a minor child affected by cancer or another serious illness, as provided for in Article 49.e) of the repealed Law 7/2007, of April 12, on the Basic Statute of Public Employees, and of the current Revised Text of the Law on the Basic Statute of Public Employees, approved by Royal Legislative Decree 5/2015, of October 30.

The reason is that, while the non-civil servant worker actually receives a subsidy or social assistance in compensation for the reduction in his salary due to the reduction in working hours, in the case of the civil servant, he continues to receive his full remuneration despite the reduction in his working hours. Resolution of the TEAC, dated January 23, 2013. Claim number 00/03071/2022/00/00, filed in an extraordinary appeal for the unification of criteria, which confirms the administrative criteria that had been applied.

- The economic benefit for the joint exercise of responsibility for the care of an infant regulated by articles 183 to 185 of the consolidated text of the General Social Security Law, approved by Royal Legislative Decree 8/2015, of October 30, is also considered exempt.

To properly define this exemption, consider the exemption provided for the [maternity or paternity benefits and similar payments, and non-contributory family benefits](#) in article 7.h) of the Law of IRPFABBR.

Other exempt income

Attention : *In order to determine the limit of the obligation to declare established for natural persons resident in Spanish territory, the amount of income related to this section will not be taken into account.*

In addition to the exemptions set out in Article 7 of the Law on IRPFABBR previously discussed, both in this Law of IRPFABBR As in other tax laws, the following exemptions are established, among others:

1. Exemptions on work income

- **Diets**

Regulations: Articles 17.1.d) Law IRPFABBR and 9 RegulationsIRPFABBR

Diets and allowances for travel expenses exempt from taxation.

See the section on " [Tax Consideration of Travel Allowances and Subsistence Allowances](#) " in Chapter 3 of this Manual.

- **Exempt work income in kind**

Income in kind, which, according to article 42.3 of the Law of IRPFABBR, are considered exempt employment income.

See the section on " [Exempt income from work in kind](#) " in Chapter 3 of this Manual.

- **Work performance of crew members of Canary Islands vessels**

Regulations: Arts 73.2 and 3; 75.1 and 3 Law 19/1994, of July 6, amending the Economic and Fiscal Regime of the Canary Islands (BOE of July 7).

The following is exempt: **50 percent** of the total income from personal work earned on the occasion of navigation by the crew members of ships registered in the Special Register of Ships and Shipping Companies of the Canary Islands and of ships assigned to regular services between the Canary Islands and between them and the rest of the national territory, provided that said crew members are taxpayers of IRPFABBR.

In the case of vessels engaged in regular passenger services between ports in the European Union, the above exemption will only apply to crew members who are nationals of a Member State of the European Union or of one of the States Parties to the Agreement on the European Economic Area.

Furthermore, since January 1, 2021, this incentive is also applicable to crew members, taxpayers of IRPFABBR , of the ships of shipping companies registered in the Special Register of Ships and Shipping Companies that were registered in another Member State of the European Union or the European Economic Area, because in these cases, in order to adapt the Special Register of Ships and Shipping Companies to the Community Guidelines on aid provided to maritime transport, contained in Communication C(2004)43 of the European Commission, it has been established that these ships are considered to be registered in the Special Register, provided that they meet the same requirements and conditions as those registered.

Note: the application of the exemption for the "Income from the work of the crew members of certain fishing vessels", which is included in the forty-first Additional Provision of the Law of IRPFABBR, is conditional upon its compatibility with community law, a circumstance which implies that it must be approved by the European Union. Since this event has not yet occurred, it is not applicable in 2025.

- **Employment income received from the International Organization of Securities Commissions**

Regulations: Third Additional Provision Law 55/1999, of December 29, on fiscal, administrative and social order measures (BOE of December 30)

The income from work received by the International Organization of Securities Commissions, in its capacity as a public benefit association, by the General Secretary, management staff and employees who carry out an activity directly related to the statutory purpose of the organization, is exempt.

• Perceived work performance from the International Public Oversight Board on Auditing Standards, Professional Ethics**Regulations: Second Additional Provision of Law 4/2006, of March 29 (BOE of March 30)**

Income from work received by the International Public Oversight Board on auditing standards, professional ethics and related matters received by the Secretary General, management staff and staff who perform an activity directly related to its statutory purpose are exempt.

This exemption is not applicable when the natural persons to whom it refers have Spanish nationality or had their residence in Spanish territory prior to the commencement of the related activity on the Board.

• Income from work derived directly or indirectly from shares, stocks or other rights, which grant special economic rights**Regulations: Fifty-third Additional Provision of the Law IRPFABBR**

From 1 January 2023, 50 percent of the income from employment derived directly or indirectly from shares, stock or other rights, including success fees, that grant special economic rights in any of the entities listed in section 2 of the aforementioned Fifty-Third Additional Provision of the Law will be included in the taxable base. IRPFABBR, obtained by the administrators, managers or employees of said entities or their management entities or entities of their group, provided that the following requirements are met:

- a. The special economic rights of said shares, stocks or rights are conditional on the remaining investors in the entity or fund referred to in the previous section obtaining a minimum return defined in the regulations or statutes of the same.
- b. The shares, stocks or rights are held for a minimum period of five years, unless
 - its transmission occurs mortis causa
 - are settled early
 - become ineffective
 - are lost in whole or in part as a result of the change of managing entity.

In these cases, the shares, stocks or rights must have been held uninterruptedly until such circumstances occur.

Regarding the form of taxation of the other 50% of such employment income, see the corresponding section ## in Chapter 3.

2. Exemptions for income from economic activities

• Subsidies from the Community agricultural and fisheries policy and public aid

Regulations: Fifth Additional Provision of the Law IRPFABBR

The following are exempt:

- The **positive income** that arises as a result of the receipt of certain **subsidies** from the Community agricultural and fisheries policy, as well as other public aid received in the exercise of economic activities.

The tax treatment of these [grants and subsidies](#) They are discussed in more detail in Chapter 7. However, that aid to climate and environmental schemes (eco-schemes) are considered exempt from the Community agricultural policy.

- Also exempt are those **public aid** that aim to **repair the destruction of heritage elements** ## by fire, flooding or subsidence, volcanic eruption or other natural causes.
- **Public aid, other than these**, received for the **repair of damage** suffered by assets due to fire, flooding, subsidence or other natural causes, will be included in the tax base only to the extent that it exceeds the cost of repairing them.

Please note that the aid provided for in Article 11 of Royal Decree 6/2024, of November 5, which adopts [urgent response measures to the damage caused by the Isolated Depression at High Levels \(DANA\)](#) in different municipalities between October 28 and November 4, 2024 (BOE November 6th) The Fifth Additional Provision of the Law will apply to them. IRPFABBR.

Likewise, remember that aid granted for property damage directly caused by volcanic eruptions on the island of La Palma will also be eligible for this benefit, in accordance with the provisions of Royal Decree-Law 20/2021, of October 5, which adopts urgent support measures for the repair of the damage caused by volcanic eruptions and for the economic and social reconstruction of the island of La Palma (BOE of October 6).

Note: *In no case will the repair costs, up to the amount of the aforementioned aid, be tax deductible or counted as an improvement.*

- **Aid for abandoning road transport activity** paid by the Ministry of Public Works (currently the Ministry of Transport and Sustainable Mobility) to carriers.
- Likewise, the perception of **public compensation due to the mandatory slaughter of the livestock** is declared exempt, within the framework of actions aimed at the eradication of epidemics or diseases. The exemption will only affect animals intended for breeding.
- Finally, public aid to compensate **for the temporary or permanent eviction of the taxpayer's habitual residence or the premises** in which the owner of the economic activity carried out the same as a result of fire, flood, collapse or other natural causes is

declared exempt.

See in this regard Royal Decree 6/2024, of November 5, which adopts [urgent response measures to the damage caused by the Isolated Depression at High Levels \(DANA\)](#) in different municipalities between October 28 and November 4, 2024 (BOE November 6th)

Also exempt, under identical terms, are the aid granted by Royal Decree-Laws 10/2021, of May 18, which adopts urgent measures to alleviate the damage caused by storm "Filomena" (BOE of May 19) and 20/2021, of October 5, which adopts urgent support measures for the repair of the damage caused by volcanic eruptions and for the economic and social reconstruction of the island of La Palma (BOE of October 6).

• Forestry subsidies

Regulations: Fourth Additional Provision of the Law IRPFABBR.

Forestry subsidies granted to those who exploit forest farms managed in accordance with technical forest management plans, forest management, forestry plans or reforestation plans approved by the competent forestry authority, provided that the average production period, depending on the species in question, determined by the competent forestry authority, is equal to or greater than 20 years.

Summary table: Measures approved as a result of the DANA that affect personal income tax: Royal Decree-Law 6/2024, of November 5, Royal Decree-Law 7/2024, of November 11, and Royal Decree 8/2024, of November 28

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	RULE THAT REGULATES IT	RATING AND TAXATION	ASSUMPTIONS AND AMOUNT	REQUIREMENTS
DIRECT AID TO COMPANIES AND PROFESSIONALS ESPECIALLY AFFECTED BY DANA	Art. 11 Royal Decree-Law 6/2024 and 19 Royal Decree-Law 16/2025	Income from economic activities exempt by the Fifth Income Tax Act of the Personal Income Tax Law with the following qualifications (art. 11.13 Royal Decree-Law 6/2024).	Individual entrepreneurs or professionals will receive a lump sum of 5,000 euros.	- That as of October 28, 2024, they had in any of the municipalities or areas listed in the Annex to Royal Decree-Law 6/2024: - Your tax address, or - Your operating establishment or real estate declared as related to your activity. - That they were registered in the census of entrepreneurs, professionals, and withholding taxpayers and maintained this status until June 30, 2025, or, if they were registered in the aforementioned census in 2024, that they had filed any VAT self-assessment or any partial payments or withholdings in the 2024 fiscal year that they were required to file before October 28.

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- That they have filed the self-assessments corresponding to the 2023 personal income tax year with declared economic activities .
- Joint ownership communities and other entities without legal personality, as defined in Article 19 of Royal Decree-Law 16/2025 of 23 December, will also be beneficiaries of this direct aid (BOE December 24).

EXTRAORDINARY AND TEMPORARY AID, COMPLEMENTARY TO THE PREVIOUS AID, TO COMPENSATE FOR THE LOSS OF INCOME ON AFFECTED AGRICULTURAL FARMS

Art. Royal Decree-Law 7/2024

Performance of economic activities (current subsidy) subject to and exempt from the Fifth DA Law 35/2006 (Sixteenth DA of Royal Decree-Law 8/2024)

- **Amount :** Equivalent to 30 % of the average agricultural income declared in the fiscal years 2021, 2022 and 2023, except for those who have entered agricultural activity later, in which case the average of the years in which they have declared agricultural income in that period will be taken into consideration.
- **Maximum amount:**

Owners of any agricultural, livestock or agricultural plot located in the municipalities of the Annexes included in Royal Decrees-Law 6/2024 and 7/2024:

- That they have suffered damages greater than 40 100% in their production, plantation, livestock census or crop and infrastructure protection system, provided that they are eligible for insurance under the Combined Agricultural Insurance System and meet the requirements set out in Article 24.
- That they have

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			25,000 euros per beneficiary. NOTE: The direct aid paid under Article 11 of Royal Decree-Law 6/2024 will be deducted, if applicable, without exceeding in any case the limits established for de minimis aid by Community regulations in Regulations (EU) 1408/2013, of 18 December 2013.	filed their personal income tax return. Please note that, with entry into force on January 30, 2025, the Third Additional Provision of Royal Decree-Law 1/2025, of January 28, has extended the application of the support measures to the agricultural sector contemplated in Title IV of Royal Decree-Law 7/2024, to the productions, plots, agricultural holdings and elements affected by them in the province of Valencia that, having been seriously affected by the DANA, are not located in the area of the municipalities provided for in Article 23 of said Royal Decree-Law.
EXTRAORDINARY AND TEMPORARY AID FOR THE RENEWAL OF AFFECTED AGRICULTURAL MACHINERY.	Art. Royal Decree-Law 7/2024	Performance of economic activities subject to and exempt from the Fifth Law 35/2006.	Granted under the de minimis aid system, therefore subject to the limits established in Commission Regulation (EU) 1408/2013 of 18 December 2013	Owners of agricultural machinery that is: • Affected, • Registered in the Official Registry of Agricultural Machinery (ROMA) and determined in the order approved by the Ministry of Agriculture, Fisheries and Food, and • Located in the municipalities

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				included in Annex 1 of Royal Decree-Law 6/2024. Please note that, with entry into force on January 30, 2025, the Third Additional Provision of Royal Decree-Law 1/2025, of January 28, has extended the application of the support measures to the agricultural sector contemplated in Title IV of Royal Decree-Law 7/2024, to the productions, plots, agricultural holdings and elements affected by them in the province of Valencia that, having been seriously affected by the DANA, are not located in the area of the municipalities provided for in Article 23 of said Royal Decree-Law.
DANA/ICO-MAPA-SAECA AID LINE FOR AFFECTED FARMING FARMS	Art. Royal Decree-Law 7/2024	Performance of economic activities subject to and NOT exempt: current subsidy, granted for the purpose of strengthening the viability and normal operation of	• Max amount: 20,000 euros. • Granted under the de minimis aid system, therefore subject to the limits established in Commission Regulation (EU) 1408/2013 of 18 December 2013.	Art. 6 Royal Decree-Law 4/2022, of March 15: Holders of agricultural holdings registered in the General Register of Livestock Holdings regulated by Royal Decree 479/2004, of March 26, or in the General Register of Agricultural Production regulated by Royal

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		farms in the agricultural sector, and which is fully computed as an additional income for the period in which it is accrued .		Decree 9/2015, of January 16, with registered office and tax domicile in Spain, whose incorporation date is prior to March 1, 2022 and whose income comes from at least 50% of agricultural activity in the year prior to the submission of the application, or in the three years prior to the application taking into account the average data, unless they started agricultural activity within the three years prior to the call. Please note that, with entry into force on January 30, 2025, the Third Additional Provision of Royal Decree-Law 1/2025, of January 28, has extended the application of the support measures to the agricultural sector contemplated in Title IV of Royal Decree-Law 7/2024, to the productions, plots, agricultural holdings and elements affected by them in the province of Valencia that, having been seriously affected by the DANA, are not located in the area of the municipalities provided for in Article 23 of said Royal Decree-Law.
GRANTS FOR OBTAINING SAECA GUARANTEES FOR AFFECTED AGRICULTURAL	Art. Royal Decree-Law 7/2024	Performance of economic activities subject to and NOT exempt:	• Maximum amount:	Art. 3. 1a) Royal Decree 388/2021, of June 1:

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FARMS.		current subsidy, as it is intended to facilitate access to financing for the aforementioned activities, which are affected by adverse weather conditions and unfavorable market situations. It is fully computed as additional income for the period in which it is earned.	subsidy of the cost of the guarantee up to 75,000 euros. (art.6.3 Royal Decree 388/2021, of June 1). • Granted under the de minimis aid system, therefore subject to the limits established in Commission Regulation (EU) 1408/2013 of 18 December 2013.	Owners of agricultural holdings registered in the General Register of Livestock Holdings regulated by Royal Decree 479/2004, of March 26, or in the General Register of Agricultural Production regulated by Royal Decree 9/2015, of January 16, who have obtained at least 25% of their income from agricultural activities in the year prior to submitting the application, or in the three years prior to the application taking into account the average data, and subscribe to guarantees with SAECA within the framework of loans with financial entities guaranteed by said entity. The requirement to obtain at least 25% of their income from agricultural activities, or in the three years prior to the application date, taking into account the average, will not apply to farm owners who began agricultural activity within the three years prior to the call for applications. And that they meet the requirements of their art.4. Please note that, with entry into force on January 30, 2025, the Third Additional Provision of Royal Decree-Law 1/2025, of January 28, has extended the application of the

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support measures to the agricultural sector contemplated in Title IV of Royal Decree-Law 7/2024, to the productions, plots, agricultural holdings and elements affected by them in the province of Valencia that, having been seriously affected by the DANA, are not located in the area of the municipalities provided for in Article 23 of said Royal Decree-Law.

HELP WITH THE AUTO REBOOT PLAN +:

“Zero” section and “Eco/C” section.

Art. 2 et seq. Royal Decree-Law 8/2024

If the vehicle is used for the activity, economic activity income is exempt by the Fifth Law 35/2006.

- **Object:**

- Registration in Spain of **vehicles, starting from October 2024 inclusive,**
- Direct acquisition, starting from that same date, of a **pre-owned** vehicle which, in this case, must be previously owned by a dealer and registered in Spain in their name with a date after October 30, 2021.

- **Amounts: Annexes I and II Royal Decree-Law 8/2024 .**

*The grant will be compatible with other grants, aid, income, or resources

- **Beneficiaries:**

self-employed persons, according to art. 1 Law 20/2007, of July 11, who meet the conditions and obligations of arts. 4 and 13, respectively, of Royal Decree-Law 8/2024. The heirs of the aforementioned self-employed persons, who died as a result of the DANA, may also have the status of beneficiaries, under the terms of article 1, and can prove this status as heir by means of the documentation indicated in article 10.2. This status will place them in the same position as those if they have not died, with the same circumstances except, where

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for the same purpose, from any public administration, or public or private entity, national, from the European Union, or from international organizations, including non pensions.

applicable, as provided for in letter b) of article 4.2.

- **Generally**, each applicant for aid may only be eligible for one subsidy per damaged vehicle.

If you can prove ownership of more than one vehicle insured with the General Directorate of Traffic, you may be eligible, in the case of individuals, for a maximum of **two** subsidies.

- Compatibility with other aids:
 - Grants section **ZERO: will not be compatible with other aid**, in accordance with Article 9 of Regulation (EU) 2021/241 of the European Parliament and of the Council.
 - ECO/C Section: compatible with other aid **without the total sum of the aid received by the beneficiary exceeding 100 % of the price of the subsidized vehicle.**

*** The de minimis aid regime applies: Commission**

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				Regulations (EU) 2023/2831 and 1408/2013.
GRANTS FOR OWNERS OF CINEMA THEATERS LOCATED IN LOCATIONS AFFECTED BY DANA	Art.Royal Decree-Law 7/2024	Performance of economic activities subject to and NOT exempt	• Purpose: the operating expenses and those linked to the reactivation of the activity incurred by the cinema exhibition halls from October 28, 2024 to May 31, 2025. The eligible expenses will be specified in the call for the aforementioned aid by resolution of the head of the General Directorate of the Institute of Cinematography and Audiovisual Arts, OA • Amounts: depending on the number of screens available in each exhibition hall. See section 5 of art.70 of Royal Decree-Law 7/2024. However, please note that the maximum of each aid will be reduced if the beneficiary has been a beneficiary of the direct aid line provided for in Article 11 of Royal Decree-Law 6/2024, of	Owners of film exhibition halls located in any of the municipalities included in the annex of Royal Decree-Law 6/2024, of November 5, and who appear, prior to the publication of this Royal Decree-Law, in the Administrative Registry of Film Companies of the Institute of Cinematography and Audiovisual Arts, OA

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			November 5, by an equal to that received.	
GRANTS FOR BOOKSTORE OWNERS AFFECTED BY DANA	Art.Royal Decree-Law 7/2024	Performance of economic activities subject to and NOT exempt	• Object: the operating expenses and book funds related to the loss of business and the new start-up of the bookstore, carried out from October 28, 2024 to December 31, 2025, under the terms established by the Call for Proposals. • Amounts: The maximum amount of each grant will be 30,000 euros. The maximum amount of each grant will be reduced by an amount equal to the amount received if the beneficiary has received the direct aid provided for in Article 11 of Royal Decree-Law 6/2024, of November 5. Please note that these grants are compatible with other public private, national or international grants or subsidies awarded for the same . In no	Independent bookstores that own establishments open to the general public and are located in any of the towns listed in the annex to Royal Decree-Law 6/2024, of November 5, and that can prove material damage resulting from the DANA. For the purposes of the provisions of article 71 and of this Tax, these shall be understood to mean natural persons who own establishments open to the general public and who are included in section 4761 (Retail trade of books in specialized establishments) of the National Classification of Economic Activities (CNAE-2009) prior to the publication of Royal Decree-Law 7/2024.

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			case may the sum of all grants obtained exceed the cost of the activity carried out.	
GRANTS FOR ENTITIES IN THE FIELD OF PERFORMING ARTS AND MUSIC	Art. 48 Royal Decree-Law 8/2024	Performance of economic activities subject to and NOT exempt	• Object: cover the operating expenses for the recovery of activity, incurred from October 28, 2024, to December 31, 2025. • Max amount each help: 25,000 euros. The maximum amount of each grant will be reduced by an amount equal to the amount received if the beneficiary has received the direct aid provided for in Article 11 of Royal Decree-Law 6/2024, of November 5. • They are compatible with other public or private, national or international aid or subsidies granted for the same purpose, without in any case the sum of all the aid obtained being able to exceed	Persons whose main activity is included in one or more of the following codes of the National Classification of Economic Activities (CNAE-2009) prior to the publication of this Royal Decree-Law: • 5920 (Sound recording and music publishing activities). • 9001(Performing Arts). • 9002 (Activities auxiliary to the performing arts). • 9003 (artistic and literary creation). • 9004 (Management of performance halls).

EXCLUSIVELY FOR TAXPAYERS WHO HOLDS ECONOMIC ACTIVITIES

			the cost of the expenditure incurred .	
AID TO COMPENSATE FOR UNCOMPENSATED DAMAGE TO HOLDERS OF COMBINED AGRICULTURAL INSURANCE POLICIES AFFECTED BY THE DANA	Art. 1 Royal Decree 684/2025, of July 29	Performance of economic activities.	Amount: • Option a): 100 per 100 of the amount of the damage not compensated. • Option b): 85 per 100 of the amount of the damage not compensated. * The specific amount of aid is determined in accordance with art.3.2. RD 684/2025. Aid will not be granted when the amount to be received by the beneficiary person or entity is less than 200 euros. Incompatibility of the aid: See Article 7 of Royal Decree 684/2025.	Those eligible for this aid will be holders of combined agricultural insurance policies whose insured crops have suffered damage caused by the DANA storm. two modes: to) Policyholders relating to agricultural holdings located within the scope of application defined in accordance with Article 1 of Royal Decree-Law 6/2024 with the extension established by the Third Additional Provision of Royal Decree-Law 1/2025. b) Policyholders relating to agricultural holdings not included in the previous section that are located within the scope of application defined in the Agreement of the Council of Ministers of November 5, 2024, which declares "Area seriously affected by a civil protection emergency" by Order PJC/1222/2024, of November 6. In both cases, the beneficiaries must meet the requirements established in Article 13 of Law 38/2003, of November 17.

NOTE: Please note that the total amount of de minimis aid granted by each Member State to a single entrepreneur may not exceed €25,000 over any three-year period (the year in which it was granted and the two preceding years).

3. Exemptions on capital gains

Donations to certain entities

Regulations: Art. 33.4 a) Law IRPFABBR

Capital gains arising from donations made to the entities mentioned in Article 68.3 of the Law are exempt. IRPFABBR.

The entities referred to in Article 68.3 of the Law of IRPFABBR These are the ones that give the right to claim the deduction for donations. These [entities benefiting from patronage](#) are listed in Chapter 16.

Transfer of your home usual for people over 65 or people in a situation of dependency

Regulations: Articles 33.4 b) Law IRPFABBR and 41 bis Regulation IRPFABBR

Capital gains that arise from the transfer of their habitual residence by persons over 65 years of age, as well as by persons who are in a situation of severe or high dependency in accordance with the Law on the promotion of personal autonomy and care for persons in situations of dependency, are exempt. The exemption also applies to the transfer of the bare ownership of the habitual residence by its owner, who reserves the life usufruct over said residence.

Regarding the [housing concept](#), see the Twenty-Third Additional Provision of the Law of IRPFABBR and Article 41 bis of the Regulation of IRPFABBR.

For the exclusive purposes of applying this exemption, it will be understood that the taxpayer is transferring his or her habitual residence when said building constitutes his or her habitual residence at that time or had been considered as such until any day of the two years prior to the date of transfer.

Please note the interpretative criteria established by the Supreme Court in its ruling No. 553/2023, of May 5, filed in administrative appeal no. 7851/2021 (ROJ : STS 2021/2023), according to which "in situations of separation, divorce or annulment of marriage that have determined the cessation of effective occupation as a habitual residence for the spouse who must leave the habitual residence for such reasons, the requirement of effective occupation of the habitual residence at the time of the transfer or on any day of the two years prior to it, which is required by section 3 of art. 41 bis of the Regulation of IRPFABBR" It will be considered fulfilled when such a situation occurs in the spouse who remained in the same." Therefore, and for the exclusive purposes of applying the exemptions provided for in articles 33.4. b) and 38 of the Law of the IRPFABBR, It will be understood that the taxpayer who had to leave the family home due to the allocation of its use to the other spouse is transferring the home when, for the spouse who remained in it, it constitutes their home at that time or had been considered as such until any day of the two years prior to the date of transfer.

Note: the non-subjectivity to IRPFABBR The amounts received in certain cases of reverse mortgage of the main residence are discussed in the subsection "[Non-taxable income](#)", from this same Chapter.

Payment of tax debts with assets that are part of the Spanish Historical Heritage

Regulations: Art. 33.4 c) Law IRPFABBR

Capital gains arising from the payment of tax debts are exempt from taxation. IRPFABBR and the Inheritance and Gift Tax through the delivery of assets forming part of the Spanish Historical Heritage in accordance with the provisions of Article 73 of Law 16/1985, of June 25, on the Spanish Historical Heritage.

Dation in payment for the principal residence

Regulations: Art. 33.4 d) Law IRPFABBR

Capital gains that arise from the payment in lieu of the habitual residence of the debtor or guarantor of the debtor are exempt, for the cancellation of debts secured by a mortgage on the same, contracted with credit institutions or any other entity that, in a professional manner, carries out the activity of granting mortgage loans or credits.

Precision: The payment in kind is not denatured nor does its nature change because it is made in favor of a third party, other than the mortgage creditor, provided that it is the latter who imposes such a condition to access the payment in kind and accepts it as extinguishing the obligation.

Likewise, capital gains that are revealed on the occasion of the transfer of the home in which the same requirements are met as for the previous payment in kind, carried out in judicial or notarial foreclosures, are declared exempt. .

In any case, the owner of the main residence must not have other goods or rights that could satisfy the total amount of the debt and prevent the alienation of the property.

Regarding the concept of habitual residence, see the Twenty-Third Additional Provision of the Personal Income Tax Law and Article 41 bis of the Regulations.

Exemption for reinvestment in primary residence

Regulations: Articles 38.1 Law IRPFABBR and 41 Regulation IRPFABBR

Capital gains obtained from the transfer of a primary residence are exempt, provided that the amount obtained is reinvested in the acquisition of another primary residence or in the rehabilitation of one that will have such character, under the conditions and requirements established by regulation, in the same year in which the capital gain is obtained, in the two previous years or in the two following years.

The conditions and requirements for the application of this [exemption for reinvestment in primary residence](#) are discussed in Chapter 11.

Exemption for reinvestment in another newly or recently created entity

Regulations: Articles 38.2 Law IRPFABBR and 41 Regulation IRPFABBR

Capital gains obtained from the transfer of shares or interests for which the deduction for investment in newly or recently created companies provided for in article 68.1 of this Law has been applied are exempt, provided that the total amount obtained from the transfer of the same is reinvested in the acquisition of shares or interests in the aforementioned entities under the conditions determined by regulation.

The conditions and requirements for applying this exemption for reinvestment in another newly or recently created entity are discussed in Chapter 11.

Exemption for reinvestment in life annuities

Regulations: Articles 38.3 Law IRPFABBR and 42 Regulation IRPFABBR

Capital gains arising from the transfer of assets by taxpayers over 65 years of age are exempt, provided that the total amount obtained from the transfer is used within six months to create an insured life annuity in their favour, under the conditions established by regulation. The total maximum amount that can be allocated for this purpose to constitute life annuities will be 240,000 euros. It should be noted that this investment limit is per taxpayer, not per transaction.

When the reinvested amount is lower than the total of the amount received in the transfer, only the proportional part of the capital gain obtained corresponding to the reinvested amount will be excluded from taxation.

The advanced receipt, total or partial, of the economic rights deriving from the constituted life annuity will determine the subjection to taxation of the corresponding capital gain.

The treatment of income derived from life annuities has no particularities, being taxed as income from movable capital.

The detailed commentary on this exemption for the transfer of assets by taxpayers [over 65 years of age with reinvestment of the amount](#) obtained in life annuities is contained in Chapter 11.

Transfer of shares or interests in newly created or recently created companies acquired between July 11, 2011 and September 29, 2013

Regulations: See the Thirty-Fourth Additional Provision of the Law of IRPFABBR, as worded on December 31, 2012.

Capital gains arising from the transfer of shares or holdings acquired by the taxpayer in newly created or recently established companies between July 11, 2011 and September 29, 2013 are exempt, provided that they have remained in their assets for a period exceeding three years (calculated from date to date) since their acquisition, and the requirements and conditions established in the Thirty-Fourth Additional Provision of the Law are met. IRPFABBR in its wording in force as of December 31, 2012.

Exceptional aid for personal injuries caused by natural disasters

Exceptional aid for personal injury is exempt granted under Article 3.1 of Royal Decree-Law 6/2024, of November 5 (BOE of November 6), in cases of death and disability directly caused by Isolated Depression at High Levels (DANA) in the municipalities included in the Annex of

the aforementioned Royal Decree-Law. See in this regard the [summary table](#) included at the end of this section.

Similarly, aid granted for personal injuries directly caused by volcanic eruptions on the island of La Palma is exempt, in accordance with the provisions of Royal Decree-Law 20/2021, of October 5, which adopts urgent support measures for the repair of the damage caused by volcanic eruptions and for the economic and social reconstruction of the island of La Palma (BOE of October 6).

Also exempt, under identical terms, are, among others, exceptional aid for personal injuries suffered by persons affected by:

- The seismic movements that occurred on May 11, 2011 in the municipality of Lorca (Murcia), in accordance with the provisions of article 2 of Royal Decree-Law 6/2011, of May 13 (BOE of May 14. Correction of errors of May 18 and 19), modified by Royal Decree-Laws 17/2011, of October 31 (BOE of November 1) and 15/2020, of April 21 (BOE of April 22).
- Forest fires and other natural disasters to which Law 14/2012, of December 26, applies (BOE of December 27). See also Royal Decrees 1505/2012, of November 2 (BOE of November 3) and 389/2013, of May 31 (BOE of June 15), which extends the scope of application of Law 14/2012.
- Wind and sea storms on the Atlantic coast and the Cantabrian coast in January and February 2014, in accordance with the provisions of articles 2 and 10 of Royal Decree-Law 2/2014, of February 21, (BOE of February 22).
- Flooding and other effects of the storms of rain, snow and wind that occurred in the months of January, February and March 2015, in accordance with the provisions of articles 2 and 10 of Royal Decree-Law 2/2015, of March 6 (BOE of March 7) or the storms of rain in the Autonomous Community of the Canary Islands and in the south and east of the peninsula in the months of September and October 2015 in accordance with articles 2 and 10 of Royal Decree-Law 12/2015, of October 30 (BOE of October 31).
- The storms of rain, wind, snow, hail and coastal phenomena that occurred in the months of November and December 2016 and in 2017 to which Royal Decree-Law 2/2017, of January 27, is applicable, by which urgent measures are adopted to alleviate the damage caused by the recent storms (BOE of January 28). See also Royal Decrees 265/2017, of March 17, and 1387/2018, of November 19 (BOE of November 20), which extend the scope of application of Royal Decree-Law 2/2017.
- Storms of torrential rain, snow, hail and wind, floods, river and torrent overflows, hail, coastal phenomena and tornadoes, as well as forest fires or other catastrophic events that have occurred from January 2018 to September 20 and other situations to which Royal Decree-Law 2/2019, of January 25, by which urgent measures are adopted to alleviate the damage caused by storms and other catastrophic situations (BOE of January 26) and Royal Decree-Law 11/2019, of September 20, by which urgent measures are adopted to alleviate the damage caused by storms and other catastrophic situations (BOE of September 21) apply.
- The storm "Filomena", in accordance with the provisions of Royal Decree-Law 10/2021, of May 18 (BOE of May 19), in the cases of death and disability caused directly by it.
- Forest fires and other civil protection emergencies occurring between June 23 and August 25, 2025, referred to in the Council of Ministers Agreement of August 26, 2025, which declares the affected territory as a "Zone seriously affected by a Civil Protection Emergency", in accordance with Article 16 of Royal Decree-Law 16/2025, of December 23 (BOE December 24).

Also, effective from December 28, 2022, they are exempt from IRPFABBR the aid provided for in Law 17/2015, of July 9, of the National Civil Protection System, for personal damages caused by the forest fires that took place during the months of June, July and August in the Autonomous Communities that are declared areas seriously affected by civil protection emergencies (Andalusia, Aragon, Balearic Islands, Canary Islands, Castile and León, Castile-

La Mancha, Catalonia, Valencian Community, Extremadura, Galicia, Madrid, Region of Murcia, Navarre, Basque Country and La Rioja), in the annex of the Agreement of the Council of Ministers of August 23, 2022, all in accordance with the provisions of section 7 of article 94 of Royal Decree-Law 20/2022, of December 27, on measures to respond to the economic and social consequences of the War in Ukraine and to support the reconstruction of the island of La Palma and other situations of vulnerability (BOE December 28).

Exceptional aid for damage to heritage elements caused by natural disasters

Regulations: Additional Provision Five.1 section c) Law IRPFABBR

They will not be included in the taxable base of IRPFABBR Public aid intended to repair the destruction of heritage elements by fire, flood, subsidence, volcanic eruption or other natural causes.

In this regard, please note the aid intended to alleviate material damage to housing and property, and to industrial, commercial and service establishments, and for personal or property services of natural or legal persons, provided for in article 3.2 and 3, and the direct aid to entrepreneurs and professionals especially affected by the [DANA](#), granted pursuant to article 11 of Royal Decree-Law 6/2024, of November 5 (BOE of November 6), which adopts urgent response measures to the damage caused by the Isolated Depression at High Levels (DANA) in the municipalities listed in the Annex to the aforementioned Royal Decree-Law, as well as the aid intended to alleviate personal damage, housing, industrial, commercial and service establishments, to local corporations, and to natural or legal persons, provided for in Royal Decree-Law 20/2021, of October 5, which adopts urgent support measures for the repair of the damage caused by volcanic eruptions and for the economic and social reconstruction of the island of La Palma (BOE of October 6).

Likewise, the aid granted under Article 3 of Royal Decree 939/2025, of October 21, which regulates the direct granting of aid to compensate for the damage caused to agricultural activity by the major fires that occurred in 2025, will not be fully integrated into the taxable base.

Aid to offset costs in buildings affected by the release of the first digital dividend

Regulations: Additional Provision Five.4 Law IRPFABBR

They will not be included in the taxable base of IRPFABBR, the aid granted under the provisions of Royal Decree 920/2014, of October 31, which regulates the direct granting of subsidies intended to compensate for the costs derived from the reception or access to television audiovisual communication services in buildings affected by the release of the digital dividend (first digital dividend).

Attention: Unlike the previous one, the aid to compensate the costs derived from the reception or access to television audiovisual communication services in buildings affected by the release of the second digital dividend, regulated by Royal Decree 392/2019, of June 21, is subject to and not exempt from tax.

Grants and aid for energy rehabilitation actions in buildings

Regulations: Additional Provision Five.4 Law IRPFABBR

They will not be included in the taxable base of IRPFABBR, in the 2021 financial year and subsequent years, the aid granted under the various programs established in the following Royal Decrees:

- Royal Decree 691/2021, of August 3, regulating the subsidies to be granted for energy rehabilitation actions in existing buildings, in execution of the Energy rehabilitation program for existing buildings in municipalities with a demographic challenge (PREE 5000 Program), included in the Regeneration and demographic challenge Program of the Urban rehabilitation and regeneration Plan of the Recovery, Transformation and Resilience Plan, as well as its direct granting to the autonomous communities;
- Royal Decree 737/2020, of August 4, regulating the aid program for energy rehabilitation actions in existing buildings and regulating the direct granting of aid from this program to the autonomous communities and cities of Ceuta and Melilla;
- Royal Decree 853/2021, of October 5, regulating the assistance programs for residential rehabilitation and social housing of the Recovery, Transformation and Resilience Plan.
- Royal Decree 477/2021, of June 29, approving the direct granting to the autonomous communities and the cities of Ceuta and Melilla of aid for the execution of various incentive programs linked to self-consumption and storage, with renewable energy sources, as well as the implementation of renewable energy thermal systems in the residential sector, within the framework of the Recovery, Transformation and Resilience Plan.

Transfer of urban properties acquired between May 12, 2012 and December 31, 2012

Regulations: Thirty-seventh Additional Provision of the Law IRPFABBR

of the capital gains that arise from the transfer of urban properties acquired for a fee from May 12, 2012 to December 31, 2012 are exempt.

This assumption is discussed under [exempt capital gains](#) in Chapter 11.

Income obtained by the debtor in bankruptcy proceedings

Regulations: Forty-third Additional Provision of the Law IRPFABBR

The income obtained by debtors that is revealed as a result of debt reductions and payments in payment, established in:

- An agreement judicially approved in accordance with the procedure established in Law 22/2003, of July 9, on Bankruptcy and, since September 1, 2020, in Royal Legislative Decree 1/2020, of May 5, which approves the revised text of the Bankruptcy Law.
- A judicially approved refinancing agreement referred to in article 71 bis and the fourth Additional Provision of Law 22/2003, of July 9, Bankruptcy and, since September 1, 2020, regulated in Title II of the second book, articles 596 to 630, of Royal Legislative Decree 1/2020, of May 5, which approves the revised text of the Bankruptcy Law.

- An out-of-court payment agreement referred to in Title X of Law 22/2003, of July 9, Bankruptcy and, since September 1, 2020, regulated in Title III of the second book, articles 631 to 694, of Royal Legislative Decree 1/2020, of May 5, approving the revised text of the Bankruptcy Law, or
- Finally, as a consequence of the exonerations of unsatisfied liabilities referred to in article 178 bis of Law 22/2003, of July 9, on Bankruptcy and, since September 1, 2020, Chapter II of Title XI of the first book, articles 486 to 502, of Royal Legislative Decree 1/2020, of May 5, which approves the revised text of the Bankruptcy Law.

In all cases, it is a necessary requirement for income to be declared exempt that **the debts do not derive from the exercise of economic activities** .

Regarding the criteria for allocating losses arising from overdue and uncollected loans when a reduction established in a judicially approved refinancing agreement, or in an out-of-court payment agreement, becomes effective, see article 14.2.k) of the Law of IRPFABBR.

Compensation received for civil liability for personal injury by the relatives of the victims of the accident of flight GWI9525

Regulations: Fifty-first Additional Provision of the Law IRPFABBR

With effect from 31 March 2022 and from previous years not prescribed, compensation received in the form of civil liability for personal injury by the relatives of the victims of the accident of flight GWI9525, which occurred on 24 March 2015, as well as aid paid by the affected airline or by an entity linked to the latter, are hereby declared exempt.

New: Please note that Royal Decree-Law 6/2022, of March 29, has introduced this exemption with effect from March 31, 2022 and previous years not prescribed.

Summary table: Measures approved as a result of the DANA that affect personal income tax: Royal Decree-Law 6/2024, of November 5, Royal Decree-Law 7/2024, of November 11, and Royal Decree 8/2024, of November 28

FOR ALL AFFECTED TAXPAYERS IN GENERAL				
	RULE THAT REGULATES IT	RATING AND TAXATION	ASSUMPTIONS AND AMOUNT	REQUIREMENTS
AID FOR PERSONAL INJURY	Art. 3.1 Royal Decree-Law 6/2024	Capital gains exempt from personal income tax by art. 12.7 Royal Decree-Law 6/2024	• Assumptions : -Death and -Absolute and permanent disability. • Amount: 72,000 euros	Art.19 Royal Decree 307/2005, of March 18, except for the economic dependency of art.19.1 c) and d). In the event of death, beneficiaries may be those listed in Article 19 of Royal Decree 307/2005, without having to live with the deceased at the time of the DANA.
AID FOR MATERIAL DAMAGE	Art. 3.2 and 3 Royal Decree-Law 6/2024	Capital gain exempt from personal income tax for the DAQuinta.1c) Personal Income Tax Law with nuances*: • In case of destruction : - If it helps > V. acquisition of the destroyed asset: 100% exempt - If it helps < V.acquisition of the asset: Computable PP. • In case of repair : Only	• Assumptions : art. 15 Royal Decree 307/2005 • Maximum amounts: those established in art. 3.2 d) Royal Decree-Law 6/2024	Articles 15, 16 and 17 Royal Decree 307/2005, of March 18, with the special provisions of Royal Decree-Law 6/2024 The provisions of article 17.b) and c) of Royal Decree 307/2005 shall not apply. If the only habitual resident of the damaged home is a deceased person, beneficiaries for personal injuries under art. 19 Royal Decree 307/2005 may apply for this aid.

FOR ALL AFFECTED TAXPAYERS IN GENERAL

		the portion of the aid that exceeds the cost of the repair is included in the tax base. NOTE: Repair costs, up to the amount of the aid, are not deductible expenses, nor can they be included as improvements for the purposes of depreciation or future transfers.		
HELP WITH THE AUTO REBOOT PLAN +: “Zero” section and “Eco/C” section	Art. 2 et seq. Royal Decree-Law 8/2024	Capital gain exempt by the Fifth Law 35/2006.	• Object : - Acquisition and registration in Spain of vehicles, starting from October 2024 inclusive, - Direct acquisition, starting from that same date, of a pre-owned vehicle which, in this case, must be previously owned by a dealer and registered in Spain in their name with a date after October 30, 2021. • Amounts: See Annexes I and II of Royal Decree-Law 8/2024.	• Beneficiaries : natural persons of legal age resident in Spain who do not fall into the category of self-employed persons according to art. 1 Law 20/2007, of July 11, who meet the conditions and obligations of arts. 4 and 13, respectively, of Royal Decree-Law 8/2024. The heirs of persons mentioned above, who died as a result of the DANA, may also have the status of beneficiaries, under the terms of article 1, and can prove this status as heir by means of the documentation indicated in article 10.2. This status will place them in the same position as those who have not died, with the

FOR ALL AFFECTED TAXPAYERS IN GENERAL

same circumstances except, where applicable, as provided for in letter b) of article 4.2.

- **Generally**, each applicant for aid may only be eligible for one subsidy per damaged vehicle .

If you can prove ownership of more than one vehicle insured with the General Directorate of Traffic, you may be eligible, in the case of individuals, for a maximum of **two** subsidies.

- Compatibility with other aids:
 - Grants section **ZERO: will not be compatible with other aid**, in accordance with Article 9 of Regulation (EU) 2021/241 of the European Parliament and of the Council.
 - ECO/C section grants: compatible with other aid **without the total sum of the aid received by the beneficiary exceeding 100 % of the price of the subsidized vehicle.**

FOR ALL AFFECTED TAXPAYERS IN GENERAL				
GRANTS FOR STUDENTS AFFECTED BY DANA	Art. Royal Decree-Law 8/2024	Capital gains exempt under the fifth Advanced Development Act of Law 35/2006 (Art. 45.10 Royal Decree-Law 8/2024). .	• Amount : 600 euros/student. • Object: intended to cover the costs of replacing textbooks and school or study materials. These expenses may also be incurred in the 2025-2026 academic year. * These grants are compatible with other public or private, national or international grants or subsidies awarded for the same purpose, without, in any case, the sum of all the grants obtained being able to exceed the cost of acquiring the textbooks and school or study materials that need to be replaced .	The beneficiaries will be the students and families with student children, who meet the following conditions: a) That they take the courses included in Organic Law 2/2006, of May 3, on Education; in Law 1/2024, of June 7, which regulates higher artistic education and establishes the organization and equivalences of professional artistic education or grades D and E of the vocational training system included in Organic Law 3/2022, of March 31, on the Organization and Integration of Vocational Training. b) That they also meet one of the following conditions: 1. Who reside in any of the municipalities included in the annex of Royal Decree-Law 6/2024; who meet, either themselves or their family unit, the requirements to be beneficiaries of the housing aid established in article 3.2 of Royal Decree-Law 6/2024, and who have submitted an application for the same. Compliance with this assumption will not be conditional upon the final receipt of the aid

FOR ALL AFFECTED TAXPAYERS IN GENERAL				
				referred to in Article 3.2 of Royal Decree-Law 6/2024, of November 5. 2. That, not having their habitual residence affected by the damage caused by the DANA, the textbooks, school or study materials owned by them were located in the educational centers located in the municipalities listed in the annex to Royal Decree-Law 6/2024, and had become unusable.
AID FOR UNIVERSITY STUDENTS AFFECTED BY DANA.	Art. 46 Royal Decree-Law 8/2024	Capital gain exempt by the fifth AD.3 Law 35/2006 (Art.46.14 Royal Decree-Law 8/2024).	• Amount : 600 euros/student. • Object: intended to cover the costs of study materials for use by students taking the courses. * These grants are compatible with other public or private, national or international grants or subsidies awarded for the same purpose, without, in any case, the sum of all the grants obtained being able to exceed	The beneficiaries will be university students who meet the following conditions: a) That they pursue the studies referred to in Organic Law 2/2023, of March 22, of the University System. b) That they reside in any of the municipalities included in the annex of Royal Decree-Law 6/2024, of November 5. c) That they also meet one of the following conditions: 1. That either they or their family unit meet the requirements to be beneficiaries of the housing aid

FOR ALL AFFECTED TAXPAYERS IN GENERAL				
			the cost of acquiring the textbooks and school or study materials that need to be replaced .	established in Article 3.2 of Royal Decree-Law 6/2024, and that they have submitted an application for it. 2. That, not meeting the requirements of section 1 above, they have lost their study material or it has become unusable.
ACCESSIBILITY AID FOR PEOPLE WITH DISABILITIES	Art. 51 Royal Decree-Law 8/2024	Capital gains exempt from personal income tax by the Fifth Personal Income Tax Law.	Maximum amount of 3 million to the municipalities of art.51.2. The grant will be compatible with grants, aid, income or resources for the same purpose, from any public administration, or public or private entity, national, from the European Union or from international organizations, including non contributory pensions.	Beneficiaries: People with disabilities who, as a result of the DANA that occurred between October 28 and November 4, 2024, have suffered irreparable losses or damage to the material or products they have available for their personal autonomy. Requirements: a) That prior to the DANA that occurred between October 28 and November 4, 2024, they had material or products for their personal autonomy. b) That as a result of the aforementioned DANA they have suffered irreparable losses or damages to that material or products. c) That they are registered in one of the municipalities included in the scope of Royal Decree-Law 6/2024, or

FOR ALL AFFECTED TAXPAYERS IN GENERAL				
				have their workplace or care center in those municipalities.
ADVANCE DISPOSITION OF CONSOLIDATED ERDS	Art. 51 Royal Decree-Law 7/2024	- In all these cases, exceptionally and exclusively during the period between November 13, 2024 and May 12, 2025, pension plan participants, as well as insured persons of insured pension plans and company social security plans and mutual members of social security mutual funds, for their complementary funds, may have early access to their economic rights: - When they are owners of agricultural, forestry or livestock farms, commercial, industrial and service establishments, workplaces and similar, located in the municipalities included in Annex 1 of Royal Decree-Law 6/2024 and that have suffered damage as a direct consequence of the DANA; - When they are self-employed workers who are forced to suspend or cease their activity as a direct consequence of the DANA, due to accidents occurring in the aforementioned municipalities; - In the case of workers affected by ERTE based on the provisions of art. 47.5 of the consolidated text of the ET Law, of companies with registered offices in the indicated municipalities that have suffered damages as a direct consequence of the DANA; - In the event of loss of the primary residence, or damage to said residence, as well as damage to the belongings of said residence when these events have occurred as a direct consequence of the DANA and the residence is located in said municipalities. Maximum withdrawal amount: The maximum withdrawal limit per participant, insured or mutual member, for all pension plans, insured pension plans, company social security plans and social security mutual funds of which they are holders and for all the situations indicated, will be the result of prorating the annual Public Indicator of Multiple Effects Income (IPREM) for 12 payments in force for the 2024 financial year (which amounts to 7,200 euros) multiplied by three for a maximum period of six months computed from November 13, 2024. $(7,200 \text{ euros} \times 3) \div 12 \times 6 = 10,800 \text{ euros}$ Refund of consolidated rights : taxation as income from work.		

Special tax on prizes from certain lotteries and bets: exempt amounts

Regulations: Thirty-third Additional Provision of the Law IRPFABBR

Prizes

They are not included in the taxable base of IRPFABBR. However, the following prizes are subject to this tax through a special levy:

- Prizes obtained from lotteries and bets organised by the State Lottery and Betting Company and by the bodies or entities of the Autonomous Communities.
- Prizes obtained from raffles organized by the Spanish Red Cross.
- Prizes obtained from the game modalities authorized by the Spanish National Organization for the Blind (ONCE).
- Awards organised by public bodies or entities that carry out non-profit social or assistance activities established in other Member States of the European Union or the European Economic Area and that pursue objectives identical to those of the aforementioned bodies or entities.

The remaining prizes (other than those listed above) are considered capital gains and are included in the general taxable base of IRPFABBR.

Exempt amounts

In the 2025 fiscal year, prizes whose full amount is **equal to or less than 40,000 euros**.

Prizes with a total value of **greater than 40,000 euros**, will be subject to special tax on the **portion thereof that exceeds said amount**.

This exemption will apply provided that the amount of the tenth, fraction, lottery coupon or bet placed is at least 0.50 euros. If **is less than 0.50 euros**, the maximum exempt amount will be reduced proportionally.

In the event that the prize is jointly owned, the exempt amount will be prorated among the joint owners based on their corresponding share.

Income not subject

1. In general

Among the incomes not subject to IRPFABBR The following can be cited:

- **Income that is subject to the Inheritance and Gift Tax**

Regulations: Art. 6.4 Law IRPFABBR

These incomes consist of capital gains that occur in the person who receives amounts, assets or rights through inheritance, legacy or donation or for being the beneficiary of life insurance contracts, when the contracting party is a person other than the beneficiary, except in cases

where by express legal provision the amounts received from said insurance are considered income from work.

- **Capital gains or losses revealed in the cases related to article 33.3 of the Law of IRPFABBR**

Article 33.3 of the Law of IRPFABBR establishes the [cases in which, by express legal provision, there is no capital gain or loss](#) which are discussed in Chapter 11 to which it refers.

- **Transitional regime applicable to capital gains derived from assets acquired prior to December 31, 1994 (reduction or reduction percentages)**

Regulations: ninth transitional provision of the Law of IRPFABBR

The part of the **capital gain generated before January 20, 2006** (not the capital losses) derived from assets not affected by the development of economic activities that as of December 31, 1996 had been in the taxpayer's assets for a period of more than:

- 10 years, in the case of real estate or rights thereto.
- 5 years, in the case of shares admitted to trading, with the exception of shares representing the share capital of Real Estate and Mutual Fund Companies.
- 8 years, in the case of other assets or rights.

Since 1 January 2015, a maximum and overall limit of 400,000 euros has been established for all assets to which the above applies, which operates on the transfer value.

Detailed discussion of [transitional regime is contained in Chapter](#) .

- **The capital losses that, by express provision contained in article 33.5 of the Law of IRPFABBR, are not counted as such**

The detailed list of these [patrimonial losses that are not computed as such](#) is contained in Chapter 11, to which reference is made.

- **Income from movable capital that arises from profitable transfers of financial assets due to the death of the taxpayer**

Regulations: Art. 25.6 Law IRPFABBR

It is necessary to point out that this assumption complements that relating to the non-taxability of capital gains or losses produced by gratuitous transfers due to the death of the taxpayer (deceased's capital gains) included within those related in article 33.3 of the Law of IRPFABBR. Consequently, income derived from the lucrative transfer of financial assets due to death will not be considered as income from personal capital for the deceased.

- **The income that is revealed as a result of exercising the right to redeem collective insurance contracts that implement pension commitments**

Regulations: Additional Provision One of the Law IRPFABBR

This rent will not be subject to IRPFABBR from the holder of the economic resources that corresponds in each case, in the following cases:

- For the total or partial integration of the commitments established in the policy into another insurance contract that meets the requirements of the First Additional Provision of the consolidated text of the Law on the Regulation of Pension Plans and Funds.
- For the integration into another collective insurance contract of the rights that correspond to the worker according to the original contract in the event of termination of the employment relationship.

Nor is it subject to IRPFABBR the income that becomes apparent as a result of the **participation in the profits of insurance contracts that implement pension commitments** in accordance with the provisions of the First Additional Provision of the consolidated text of the Law on the Regulation of Pension Plans and Funds, when said participation in profits is intended to increase the benefits insured in said contracts.

- **Disposal of assets that make up personal assets to meet the economic needs of old age and dependency**

Regulations: Fifteenth Additional Provision of the Law IRPFABBR and Additional Provision One of Law 41/2007, of December 7 (BOE December 8).

The amounts received as a result of the provisions made of the habitual residence (**reverse mortgage**) by persons over 65 years of age, as well as by persons who are in a situation of severe or great dependency, as referred to in article 26 of Law 39/2006, of December 14, on the Promotion of Personal Autonomy and Care for Persons in Situations of Dependency (BOE of December 15), provided that they are carried out in accordance with the financial regulations relating to the acts of disposition of assets that make up the personal assets to assist the economic needs of old age and dependency.

Regarding the [concept of main residence](#) See the Twenty-Third Additional Provision of the Law of Personal Income Tax and Article 41 bis of the Regulation of IRPFABBR.

Reverse mortgages are regulated by the First Additional Provision of Law 41/2007, of December 7, which modifies Law 2/1981, of March 25, on the Regulation of the Mortgage Market and other regulations of the mortgage and financial system, on the regulation of reverse mortgages and dependency insurance and which establishes certain tax regulations (BOE of December 8). And according to this provision, "reverse mortgage" is understood to be a loan or credit guaranteed by a mortgage on real estate that constitutes the applicant's habitual residence, provided that they meet the following requirements:

- a. that the applicant and the beneficiaries that he/she may designate are persons aged 65 years or older or affected by dependency or persons who have been recognised as having a degree of disability equal to or greater than 33%,
- b. that the debtor has access to the amount of the loan or credit through periodic or single provisions,
- c. that the debt is only enforceable by the creditor and the guarantee enforceable when the borrower dies or, if so stipulated in the contract, when the last of the beneficiaries dies,

- d. that the mortgaged property has been appraised and insured against damage in accordance with the terms and requirements established in articles 7 and 8 of Law 2/1981, of March 25, on the Regulation of the Mortgage Market.”

These mortgages may only be granted by credit institutions and insurance companies authorised to operate in Spain, without prejudice to the limits, requirements or conditions imposed on insurance companies by their sector regulations.

- **Financial aid granted for uncovered illness expenses**

Nor are those **financial aid granted for illness expenses not covered by the corresponding Health Service or Mutual Fund**, which are intended for treatment or restoration of health, considered taxable income.

2. Special case: Floor clauses

Scope of non-subjection

It will not be included in the taxable base of this IRPFABBR The refund, derived from agreements made with financial entities, in cash or through other compensation measures, together with their corresponding compensatory interest, of the amounts previously paid to them as interest for the application of clauses limiting interest rates on loans (the so-called "floor clause").

Note: *The declaration of non-taxation takes effect from 21 January 2017 and is applicable to previous years that have not prescribed.*

Similarly, it should be noted that they are not included in the taxable base of IRPFABBR the return of amounts previously paid by the taxpayer for the application of interest rate limitation clauses on loans, together with their corresponding compensatory interest, derived from the execution or compliance of judgments or arbitral awards that declare the nullity of the same.

Tax treatment of amounts previously paid by the taxpayer subject to the refund

Amounts previously paid by the taxpayer subject to the refund arising from agreements entered into with financial institutions or from judgments or arbitration awards will have the following tax treatment:

- a. When such amounts had formed part, in previous years, of the basis for the deduction for investment in habitual housing or of deductions established by the Autonomous Community, the following cases must be distinguished:
- If these amounts are refunded in cash, the taxpayer will lose the right to the deductions claimed in relation to them, and must add to the state and regional tax liability accrued in the year in which the agreement with the financial institution was reached or in the year of

the judgment or arbitration award, only the amounts unduly deducted in previous years under the terms provided in Article 59 of the Regulations of IRPFABBR excluding late payment interest.

Such regularization will only be carried out with respect to the years in which the Administration's right to determine the tax debt through the appropriate liquidation has not expired.

- If the repayment of these amounts occurs through offsetting a portion of the capital pending amortization, the above addition will not apply to the portion of the amounts that are directly allocated by the financial institution, following the agreement with the affected taxpayer, to reduce the principal of the loan, that is, the deductions previously made corresponding to these amounts will not have to be regularized.

The reduction of the principal of the loan will not give rise to the right to apply the deduction for investment in primary residence or any other regional deduction.

b. When such amounts previously paid by the taxpayer subject to the refund have been considered deductible expenses in previous tax years for which the Administration's right to determine the tax liability through the appropriate assessment has not yet expired, such consideration will be lost, and a supplementary self-assessment corresponding to those tax years must be filed, without penalty, late payment interest, or any surcharge, within the period between the date of the agreement and the end of the next self-assessment filing period. IRPFABBR.

c. The amounts that, due to the application of mortgage floor clauses, would have been paid by the taxpayer in 2025 and with respect to which, before the end of the self-assessment filing period of IRPFABBR If, for said exercise, an agreement is reached for their return with the financial entity or as a consequence of a court ruling or an arbitration award, they will not form part of the deduction base for investment in main residence or any regional deduction, nor will they be considered a deductible expense.

Note: For the purposes of any appropriate adjustments, please note that while in the event of an agreement with the financial institution, the adjustment is computed from the date on which it is signed, in the event of a judgment or arbitration award, the adjustment must be computed from the date of these (the finality of the judgment, if applicable).

Subject to personal income tax: personal aspects

They are taxpayers for personal income tax

Regulations: Article 8 of the Law IRPFABBR

1. Individuals who have their habitual residence on Spanish territory.
2. Individuals who have their habitual residence abroad due to any of the circumstances provided for in Article 10 of the Law of IRPFABBR which are discussed later.

3. Natural persons of Spanish nationality who prove their new tax residence in a country or territory classified by regulation as a tax haven (currently a non-cooperative jurisdiction). These people will not lose their taxpayer status because of the IRPFABBR in the tax period in which the change of residence occurs and in the following four tax periods.

Attention: Please note that from 11 July 2021 and in accordance with the provisions of Additional Provision Ten of Law 36/2006, of 29 November, on measures for the prevention of tax fraud, all references made in the regulations of IRPFABBR Tax havens, countries or territories with which there is no effective exchange of information, or with zero or low taxation, will be understood to be subject to the definition of non-cooperative jurisdiction established by the First Additional Provision of the aforementioned Law 36/2006, of November 29, in its wording in force from July 11, 2021.

The second transitional provision of Law 36/2006, of November 29, on measures for the prevention of tax fraud establishes that as long as the countries or territories that are considered non-cooperative jurisdictions are not determined by Ministerial Order, the countries or territories provided for in Royal Decree 1080/1991 will have such consideration.

Well, with entry into force on February 11, 2023, the Order was published HFPRoyal Decree 115/2023 of 9 February, which determines the countries and territories, as well as the detrimental tax regimes, that are considered non-cooperative jurisdictions (Official State Gazette of 10 February), which updates the list of countries and territories included in Royal Decree 1080/1991 of 5 July, although in IRPFABBR It was not applicable until the 2024 tax period, and has been applicable since then.

See in this regard the list of countries and territories designated by regulation as [non-cooperative jurisdictions](#) and the notes on the aforementioned list of countries and territories appearing in Chapter 10 of this Manual.

Habitual residence in Spanish territory

Regulations: Article 9 of the Law IRPFABBR

It shall be understood, in accordance with Article 9 of the Law of IRPFABBR, that the taxpayer has their habitual residence in Spanish territory when any of the following circumstances occur:

1. That you remain more than 183 days, during the calendar year, in Spanish territory .

To determine this period of stay, sporadic absences will be taken into account, unless the taxpayer proves his tax residence in another country. In the case of countries or territories that are regulated as tax havens, the tax authorities may require proof of residence there for 183 days in a calendar year.

Notwithstanding the above, temporary stays in Spain that are a consequence of obligations contracted in cultural or humanitarian collaboration agreements, free of charge, with the Spanish Public Administrations will not be taken into account when determining the period of

stay in Spanish territory.

Precision:

Regarding the concept of “permanence” in article 9.1.a) of the Law of IRPFABBR, the TEAC has indicated in various resolutions that permanence cannot be conditioned on a volitional element for several reasons:

1. Because tax residency is not a matter that is determined unilaterally (that is, considering oneself a tax resident in some jurisdiction), but rather a legal matter that must be proven and accredited.
2. Because the Supreme Court has already rejected, in repeated jurisprudence, that the will of a natural person to return to Spain can be taken into account to determine that their time outside Spanish territory is directly classified as “sporadic absence”. See, among others, the Supreme Court judgments of 28 November 2017 (numbers 1,829/2017, 1,850/2017, 1,860/2017 and 1,834/2017), of 16 January 2018 (numbers 108/2018, 109/2018, 114/2018, 115/2018, 107/2018, 188/2018 and 305/2018), and of 18 January 2018 (numbers 110/2018 and 183/2018).

Likewise, the presence in Spain cannot be conditioned on the taxpayer not having the intention of moving his residence abroad.

Based on the above, for the TEAC the concept of permanence of article 9.1.a) of the Law of IRPFABBR is comprised of the aggregate calculation of three stages: Certified presence, presumed days and sporadic absences:

- Certified presence: that proven by unquestionable means of proof. Once the presence of one day has been accredited by the relevant means of proof, it is computed aseptically, without it being necessary for a stay of several consecutive days to be proven (either by the Administration or by the taxpayer). The day is counted in its entirety, without requiring a minimum number of hours. (Commentary 5 to art. 15 of the Model Convention OECD).
- Presumed days: those that reasonably elapse between two certified presences; Although there is no certified evidence that the interested party was in Spain, as this is a reasonable number of consecutive days and falls between days of certified presence, they can be counted as days of stay under art. 9.1.a), unless a certified presence outside of Spanish territory is proven.
- Sporadic absences: as results from the literal wording of article 9.1 a) Law of IRPFABBR Sporadic absences are an element to be added to the days of effective presence (made up of the addition of the days of certified presence and the presumed days) in order to determine if the aggregate stay in Spain is greater than 183 days. They are, in short, a reinforcement of the conclusions of permanence in Spanish territory or abroad, but, of course, not strictly essential when the days of effective presence have already reached the minimum threshold required by the Law of 184 days.

See in this regard, among others, Resolutions of the TEAC of March 28, 2023, Claim number 00-04045-2020 and April 25, 2023, Claim number 00-04812-2020.

2. That the main core or base of its activities or economic interests is located in Spain, directly or indirectly .

It will be presumed , unless proven otherwise, that the taxpayer has his habitual residence in Spanish territory when, in accordance with the above criteria, his legally non-separated spouse and minor children who depend on him habitually reside in Spain.

nationals who have their habitual residence in Spain due to their status as members of foreign diplomatic missions or consular offices, or because they hold an official position or job in foreign States, or because they are active civil servants who hold an official position or job in Spain that is not diplomatic or consular in nature, will not be considered taxpayers, provided that, in addition, specific rules derived from international treaties to which Spain is a party are not applicable.

Remember: *The tax residence of a natural person is not only determined based on the first criterion of permanence (more than 183 days), but the taxpayer may also be considered a tax resident in Spain if he or she has in this country, directly or indirectly, the main core or base of his or her economic activities or interests.*

Habitual residence in the territory of an Autonomous Community or City with Statute of Autonomy for personal income tax purposes

Regulations: Art. 72 Law IRPFABBR

Criteria for determining habitual residence

As a general principle, taxpayers with habitual residence in Spanish territory are residents in the territory of an Autonomous Community or City with a Statute of Autonomy. To determine in which of the Autonomous Communities or Cities with Statute of Autonomy the resident taxpayer has his habitual residence, the following criteria must be applied:

1. Permanence criteria

According to this criterion, the taxpayer resides in the Autonomous Community or City with Statute of Autonomy in whose territory he has spent the greatest number of days of the tax period (generally, the calendar year), counting temporary absences for these purposes and presuming, unless proven otherwise, that the person remains in the territory of the Autonomous Community or City with Statute of Autonomy where his habitual residence is located.

2. Main center of interest criterion

When it is not possible to determine residence according to the previous criterion, it will be considered that the taxpayer resides in the Autonomous Community or City with Statute of Autonomy where he has his main center of interests; That is, in the territory where it obtained the majority of its taxable base. IRPFABBR, determined by the following income components:

- a. Employment income, which will be deemed to be obtained where the respective workplace is located, if it exists.
- b. Income from real estate capital and capital gains derived from real estate, which will be deemed to have been obtained in the place where the property is located.
- c. Income from economic activities, whether business or professional, which will be deemed to be obtained where the management centre of each of them is located.

3. Criterion of the last declared residence for the purposes of IRPFABBR

In the absence of the above criteria, the person is considered to be resident in the territory where their last declared residence is located for the purposes of IRPFABBR.

Note: in accordance with the provisions of Article 72.3 of the Law of IRPFABBRChanges of residence whose main purpose is to achieve a lower effective taxation in this tax will not have effect, unless the new residence is continuously extended for at least three years. In these cases, the following must be presented: [corrective self-assessments](#) that correspond.

Please note that, as of March 14, 2025, the date of approval of the Order HAC/242/2025, of March 13, which approves the declaration forms for Personal Income Tax and Wealth Tax, 2024 tax year, establishes, within the scope of IRPFABBR, the effective application of the corrective self-assessment as the sole system for correcting self-assessments, replacing the dual system of supplementary self-assessment and request for rectification. See the [Chapter 18](#).

Natural persons resident in Spanish territory, who do not remain in said territory for more than 183 days during the calendar year, will be considered residents in the territory of the Autonomous Community or City with Statute of Autonomy in which the main nucleus or base of their activities or their economic interests is located.

Finally, when the person is a resident in Spanish territory by presumption, that is, because his or her legally non-separated spouse and dependent minor children habitually reside in Spain, he or she will be considered a resident in the territory of the Autonomous Community or City with Statute of Autonomy in which they habitually reside.

Joint declarations of family units whose members reside in different Autonomous Communities or Cities with Statute of Autonomy

When taxpayers belonging to a family unit have their habitual residence in different Autonomous Communities or Cities with Statutes of Autonomy and choose to be taxed jointly, in the section "Autonomous Community/Autonomous City of residence in 2025" The address will be indicated where the member of the family unit with the highest taxable base has had their habitual residence, determined in accordance with the rules for individualizing income of the IRPFABBR.

When one of the different Autonomous Communities is not under a special tax regime (Navarre or Basque Country), this criterion will also be taken into account to determine whether the tax is levied by the regional or state authorities. IRPFABBR.

Habitual residence abroad

Regulations: Article 10 of the Law IRPFABBR

They are considered taxpayers because IRPFABBR Spanish nationals, their legally married spouses and minor children, who have their habitual residence abroad due to their status as:

- a. Members of Spanish diplomatic missions, including both the head of the mission and members of the diplomatic, administrative, technical or service staff of the mission.
- b. Members of Spanish consular offices, including both the head of the offices and the civil servants or service personnel assigned to them, with the exception of honorary vice-consuls or honorary consular agents and the personnel dependent on them.
- c. Holders of official positions or employment in the Spanish State as members of delegations and permanent representations accredited to international organisations or who form part of observer missions or delegations abroad.
- d. Active civil servants holding official posts or employment abroad which is not diplomatic or consular.

However, the following will not be considered taxpayers :

- The persons mentioned above who, not being active public officials or holders of an official position or employment, already had their habitual residence abroad prior to acquiring any of the listed conditions.
- Spouses who are not legally separated or minor children, when they already had their habitual residence abroad prior to the acquisition by the spouse, father or mother of any of the conditions listed above.

Note: As a result of the system of transfer of taxes from the State to the Autonomous Communities, the code for the Autonomous Community or City with Statute of Autonomy in which the declarant had his habitual residence in said fiscal year must be completed in the corresponding section on page 1 of the declaration form. However, Spanish civil servants and public employees residing abroad in the year 2025 will include the specific code "20" in that section.

They are not considered personal income tax taxpayers.

Regulations: Art. 8.3 Law IRPFABBR

They are not considered taxpayers because IRPFABBR civil partnerships not subject to Corporation Tax, dormant estates, joint ownership communities and other entities referred to in article 35.4 of the LGT.

In relation to the LGT see Law 58/2003, of December 17, General Tax.

The corresponding income will be attributed to the partners, heirs, joint owners or participants, respectively, in accordance with the provisions of articles 86 to 90 of the Law of IRPFABBR.

The [income attribution regime](#) is discussed in more detail in Chapter 10.

The family unit in personal income tax

Modalities

For the purposes of IRPFABBR There are two types of family unit, namely:

- **In case of marriage (modality 1)**

The one made up of spouses who are not legally separated and, if any:

- a. children under legal age, except for those who live independently with their parents' consent.
- b. Children of legal age who are judicially incapacitated and subject to extended or rehabilitated parental authority, until a new judicial resolution is issued to replace it, or, where appropriate, children of legal age with disabilities for whom representative guardianship is established when this is exercised by the person or persons who would be entitled to parental authority if the child were a minor.

Note:

Law 8/2021, of June 2, which reforms the civil and procedural legislation to support people with disabilities in the exercise of their legal capacity (BOE of June 3) has replaced the extension or rehabilitation of parental authority agreed by a court in the case of minors with disabilities who reach the age of majority, or of single children of legal age who live with their parents and who suffer from a certain disability, with support measures for the exercise of their legal capacity that the child with a disability needs when he or she reaches the age of majority (or the adult child with a disability who lives with his or her parents), in the same way and by the same means as any adult who requires them.

However, for those who held extended or rehabilitated parental authority on the date of entry into force of the aforementioned Law 8/2021, the second transitional provision establishes a transitional regime that allows them to continue exercising it until a review by the judicial authority ex officio or at the request of the Public Prosecutor's Office of this situation takes place within a maximum period of three years.

In light of the above, and taking into account the modifications incorporated by Law 8/2021 regarding persons with disabilities, the references made in Article 82 of the Law on IRPFABBR The extended or reinstated parental authority should be understood as referring to the following judicial measures:

- a. *Court decisions issued under the regime prior to Law 8/2021 establishing the extension or rehabilitation of parental authority, as long as a new court decision has not been issued replacing them with new measures adapted to Law 8/2021.*
- b. *Court decisions issued after the entry into force of Law 8/2021 establishing representative guardianship for the same cases for which, in accordance with the regime prior to Law 8/2021, extended or rehabilitated parental authority was established (previous article 171 of the Civil Code), which are the following:*

- Resolutions establishing representative guardianship over children with disabilities when they reach the age of majority, exercised by the person or persons who would have parental authority if the child were a minor.
- Resolutions establishing representative guardianship for a single, adult disabled child who lives with his or her parents or either of them, also exercised by the person or persons who would have parental authority if the child were a minor.

Remember: the age of majority is reached upon reaching the age of 18.

In the absence of marriage or in cases of legal separation (modality 2)

The family is made up of the father or mother and all the children who live with one or the other and meet the requirements indicated for modality 1 above.

Common rules for both types of family unit

From the legal regulation of the modalities of family unity, the following conclusions can be drawn:

- Any other family grouping, different from the above, does not constitute a family unit for the purposes of IRPFABBR.
- No one may be part of two family units at the same time.
- The determination of members of the family unit is carried out in accordance with the situation on 31 December each year.

Therefore, if a child turns 18 during the year, he or she will no longer be part of the household for that tax period.

Individual taxation and option for joint taxation

The Tax Agency's electronic headquarters includes a "[Virtual Income Assistant](#)", where you can consult the taxation options, individual or joint, depending on your personal and family circumstances.

Approach

- **In general**, the statement of IRPFABBR is presented individually. However, persons within a family unit, under the terms discussed above, may choose, if they so wish, to file jointly, provided that all members are taxpayers for this tax.
- **In de facto couples** without a marital bond, only one of its members (father or mother) can form a family unit with the children who meet the requirements mentioned above and, consequently, opt for joint taxation. The other member of the couple must declare

individually.

However, it must be taken into account that Article 84.2.4 of the Law of IRPFABBR (which establishes the "Rules applicable to joint taxation") indicates the impropriety of the reduction of 2,150 euros per year in the second of the family unit modalities referred to in article 82 of the Law of IRPFABBR, in cases where the taxpayer lives with the father or mother of one of the children who are part of their family unit.

- **In cases of separation or divorce or absence of a marital bond** The option for joint taxation will correspond to the person who has custody of the children on the accrual date of the IRPFABBR, as it concerns the parent who lives with them. Where custody is shared, either parent may file a joint tax return, while the other must file an individual tax return.

Please note that, according to the criteria established by the TEAC in its Resolution of July 19, 2024, of claim no. 00-02172-2023, issued in unification of criteria, *"In cases of legal separation or absence of a marital bond in which the custody of the children is shared, if the existence of a mutual agreement between the parents is not justified for one or the other to opt for "joint taxation", a mutual agreement that must be prior to the filing of the tax returns, both parents, and also all the children, must be taxed under the "individual taxation" regime, as required by the imperative wording of articles 82.1 2 and 82.2 of the Law of IRPFABBR. Therefore, the reduction in Article 84.2.4 of the Law is not applicable in these cases. IRPFABBR"*

- Once the option to pay taxes individually or jointly has been exercised, it is not possible to subsequently modify said option by submitting new returns, unless these are also submitted within the regulatory period for submitting returns; Once this period has ended, the tax option for that tax period cannot be changed.

Note: from 2024, the change of the chosen taxation option (individual or joint) in a previous self-assessment, it is done by checking box [124] on page 3 of the declaration form IRPFABBR.

The option to declare jointly

- **It is manifested when filing the declaration of IRPFABBR corresponding to the fiscal year** with respect to which one chooses. Once the option has been exercised, it may only be modified within the regulatory period for filing declarations.

From In 2024, modifying the tax option chosen in a self-assessment already submitted will require ticking the box [124] of the declaration model. This will also require entering the supporting document number of the self-assessment whose correction is requested in box [104].

In the event that no declaration has been filed, the tax authorities, when making the appropriate settlements, will apply the rules of individual taxation, unless the members of the family unit expressly state otherwise within ten days of the request from the authorities.

- **It does not bind the family unit for successive years.**

Thus, the joint declaration in the fiscal year 2024 does not require joint filing in 2025; Similarly, the joint declaration in 2025 does not bind for the 2026.

- **It compulsorily covers all members of the family unit.**

If any of the members of the family unit files an individual tax return, the remaining members must use this same taxation system.

Note: Please note that in the case of family units referred to in Article 82.1 of the Law of IRPFABBR formed by taxpayers of this tax and by residents in another Member State of the European Union or the European Economic Area, a was established from 1 January 2018. [deduction on the quota discussed in Chapter 16](#) from the Manual. Given that such family units cannot choose to file jointly, the purpose of this deduction is to equate the amount payable to that which the taxpayer would have borne if all members of the family unit had been tax residents in Spain. However, this deduction is not applicable when any of the members of the family unit has opted to be taxed under the special tax regime applicable to workers transferred to Spanish territory provided for in Article 93 of the Law of IRPFABBR referred to in this Chapter.

General characteristics of joint taxation

Regulations: Art. 84 Law IRPFABBR

Regardless of other particularities that will be indicated in the corresponding chapters of this Manual, the joint taxation regime has the following general characteristics:

- **To determine whether or not there is an obligation to declare** , the amount of income, the taxable and liquidable base and the tax debt, **the individual taxation rules will generally apply** , without it being necessary, except in the cases expressly provided for in the regulation discussed below, to increase or multiply the amounts or limits based on the number of members of the family unit.
- **Income of any type** obtained by each and every member of the family unit will be subject to tax **cumulatively** .
- All members of the family unit will be subject to tax **jointly and severally** , so that the tax debt, resulting from the declaration or discovered by the Administration, may be demanded in its entirety from any of them.

However, the right of the members of the family unit to internally apportion the tax debt among themselves is recognized, according to the part of the joint income that corresponds to each one, without said apportionment having fiscal effects.

- The same tax scales apply **for individual taxation**
- Except in the cases expressly provided for in the regulations of IRPFABBR the joint declaration **It does not entail the expansion of any of the limits** that affect certain deductible items.
- **Negative items from previous periods not offset by the taxpayers comprising the family unit may be offset** in accordance with the general rules of IRPFABBR, regardless of whether they come from a previous individual or joint declaration.

Negative items determined in joint taxation will be offset, in the case of subsequent individual taxation, exclusively by those taxpayers to whom they correspond, in accordance with the rules on individualization of income contained in the Law of IRPFABBR.

- **Reductions in the tax base for contributions to social security systems, including those established for people with disabilities, to protected assets of people with disabilities and to the Mutual Fund for Social Security of Professional Athletes are treated as follows.**

The maximum reduction limits for contributions to the aforementioned social security systems, to the protected assets of people with disabilities and to the Mutual Fund for Social Security of Professional Athletes will be applied individually by each participant, contributor, member or insured integrated into the family unit who is entitled to any of these reductions.

The maximum reduction limits for [contributions to the aforementioned social security systems](#) are discussed in Chapter 13.

- **Minimum personal amount of the taxpayer.**

In any of the family unit modalities, the **personal minimum applicable in the joint declaration will be 5,550 euros per year**, regardless of the number of members included in it.

The calculation of the increase in the personal minimum due to the age of the taxpayer will be carried out in accordance with the personal circumstances of each of the spouses in the family unit.

- **Minimum for taxpayer disability.**

The calculation of the taxpayer's disability minimum will be carried out taking into account the circumstances of disability that, where applicable, exist in each of the spouses in the family unit.

Note: *The personal minimum and the minimum for disability of the taxpayer will not apply in the joint declaration for children, without prejudice to the amount to be applied as the minimum for descendants and for disability.*

- **Reduction for joint taxation.**

a. In joint declarations of family units made up of both spousesnot legally separated, **and their children**, if any (family unit modality 1), **A reduction of the taxable base of 3,400 euros per year will be applied**., prior to the reductions for contributions to social security systems, including those established in favor of persons with disabilities, as well as to protected assets of persons with disabilities and to the Mutual Society for the social security of professional athletes provided for in the Law of IRPFABBR.

This reduction will be applied, first of all, to the general tax base without being able to result in a negative result as a consequence of such reduction. The remainder, if any, will reduce the taxable base of the savings, which may not be negative either.

b. In joint declarations of family units formed by the father or mother and all the children who live with one or the other (2nd family unit modality, in cases of legal separation or when there is no marital bond) will apply **a reduction of the taxable base of 2,150 euros per year**, prior to the reductions for contributions to social security systems, including those established in favor of persons with disabilities, as well as to protected assets of persons with disabilities and to the Mutual Society for the social security of professional athletes provided for in the Law of IRPFABBR.

This reduction will be applied, first of all, to the general tax base without being able to result in a negative result as a consequence of such reduction. The remainder, if any, will reduce the taxable base of the savings, which may not be negative either.

Note: *The reduction for joint taxation will not apply when the taxpayer lives with the father or mother of any of the children who are part of his or her family unit.*

Special tax regime applicable to workers posted to Spanish territory and their families

The Tax Agency's electronic headquarters includes a "[Non-Resident Income Tax Informer](#)", where you can find out how the special regime for displaced workers operates.

Regulations: Article 93 of the Law IRPFABBR

From 1 January 2023 the special tax regime provided for in article 93 of the Law of IRPFABBR For workers transferred to Spanish territory, it has been modified to accommodate new groups (remote workers, entrepreneurs and qualified professionals, and those who carry out training, research, development and innovation activities) and to extend the possibility of its application to the members of the family unit of such taxpayers such as spouse, children with disabilities or minors and the parent of these, in the event of no marital link.

This regime allows individuals who acquire tax residence in Spain as a result of moving to Spanish territory for the reasons indicated below to choose to be taxed under the Non-Resident Income Tax (with certain special features), while maintaining their status as taxpayers under the IRPFABBR.

Note: *If any member of the family unit has opted to pay taxes under this special tax regime for workers transferred to Spanish territory, the deduction established, from 1 January 2018, by the forty-eighth Additional Provision of the Law will not apply. IRPFABBR, for family units formed by tax residents in Member States of the European*

Union or the European Economic Area, which is discussed in Chapter 16.

A. In general: regime applicable to workers posted to Spanish territory

Scope

Regulations: Art. 113 Regulations IRPFABBR

To apply this special regime, taxpayers must meet the following conditions:

1. That they have not been residents in Spain during the five tax periods prior to the one in which they move to Spanish territory.

In relation to the five tax periods to be computed for the purposes of complying with this requirement, the year of acquisition of residence is taken as a reference and not the year of relocation.

For these purposes, the provisions of article 9.1 of the Personal Income Tax Law, which regulates the tax residence of individuals in Spain, must also be observed.

Note: From January 1, 2023, the prior period of non-residence in Spain is reduced from ten to five years.

2. That the displacement to Spanish territory, either in the first year of application of the regime or in the previous year, occurs as a consequence of **any of the following circumstances**:

a. Work contract

When the displacement is a consequence of an employment contract, with the exception of the special employment relationship of professional athletes regulated by Royal Decree 1006/1985, of June 26.

This circumstance will be deemed to be fulfilled when any of the following **conditions are met**:

- When a labor relationship begins, ordinary or special, other than the one indicated above (that of professional athletes), or statutory with an employer in Spain. That is, a causal relationship must exist between the move to Spain and the start of the employment relationship.

The termination of the employment relationship with the company that actually and effectively motivated the move to Spanish territory, resulting in a temporary situation of unemployment or inactivity for reasons beyond the taxpayer's control, and the subsequent commencement of a new employment relationship that also meets the requirements established in Article 93 of the Law on IRPFABBR, does not imply exclusion from the regime given that the purpose of the regime is to attract to Spain the subjects included in the application of the regime and that said purpose is in no way incompatible with the above fact.

- When the transfer is **ordered by the employer** and there is a transfer letter from the employer.
- When the transfer, without being ordered by the employer, is due to the fact that the work activity **is carried out remotely**, through the exclusive use of computer, telematic and telecommunication means and systems.

In particular, this circumstance will be deemed to be fulfilled in the case of employees who have the visa for international teleworking provided for in Law 14/2013, of September 27, on support for entrepreneurs and their internationalization.

Note: They will be able to apply this regime to workers who travel to Spain to work remotely.

b. Acquisition of the status of administrator of an entity

When the transfer is a consequence of **acquiring the status of director of an entity, regardless of the percentage of participation** in the share capital of the same, **except** in the event that the entity **is considered a patrimonial entity**, in which case the director may not have a participation in said entity that determines its consideration as a related entity in the terms provided for in article 18 of the LIS (that is, to be eligible for this special regime, he must have a participation of less than 25 percent in the capital of the same).

For these purposes, a patrimonial entity, and therefore one that does not carry out an economic activity, will be understood as one in which more than half of its assets consist of securities or are not affected by an economic activity, taking into account the average of the quarterly balance sheets of the entity's financial year.

For these purposes, see Article 5 of the LIS, which regulates the concept of economic activity and patrimonial entity.

c. Carrying out an entrepreneurial activity in Spain

When the displacement is a consequence of the **performance in Spain of an economic activity classified as entrepreneurial**, in accordance with the procedure described in article 70 of Law 14/2013.

Entrepreneurial activity:

According to article 70 of Law 14/2013, of September 27, on support for entrepreneurs and their internationalization (BOE of September 28), an entrepreneurial activity is considered to be any economic activity that meets the following requirements:

1. That it has **innovative character and/or special economic interest** for Spain.

It will be considered to have such innovative character when its purpose is to solve a problem or improve an existing situation through the development of new or substantially improved products, services or processes compared to the state of the art and which implies a risk of technological, industrial or business model failure. Specifically, this requirement will be deemed to have been met when at least one of the conditions established by section 3 of article 4 of Order PCM/825/2023, of July 20, is met.

2. That it has been qualified as such by a **favorable report issued by ENISA** (National Innovation Company, SA), in the terms provided for in the aforementioned article 70 of Law 14/2013.

In this regard, in the case of EU citizens and foreigners to whom EU law applies because they are beneficiaries of the rights of free movement and residence, they must request the aforementioned report prior to their movement to Spanish territory, through the General Directorate of Industry and Small and Medium Enterprises. This report is mandatory and will be issued within 10 business days from when ENISA receives the corresponding request.

Likewise, taxpayers who have opted to apply this special regime must have this report if they **want to start an economic activity of an entrepreneurial nature that is different** where appropriate, from that which motivated their move to Spanish territory.

3. That the taxpayer who travels to Spanish territory to carry out said entrepreneurial activity, has the **residence permit prior to said travel**.

- d. **Carrying out an economic activity in Spain by a highly qualified professional who provides services to emerging companies** within the meaning of article 3 of Law 28/2022, of December 21, on the promotion of the ecosystem of emerging companies:

For the purposes of considering [startup](#), see the concept provided in Chapter 3.

Accuracy : Highly qualified professionals shall be understood to be those professionals who have the qualification referred to in Article 71 of the aforementioned Law 14/2013. In particular, this circumstance will be deemed to be fulfilled when the taxpayer has a residence permit prior to moving to Spanish territory.

- e. **Carrying out an economic activity in Spain by a highly qualified professional who carries out training, research, development and innovation activities**, receiving for this a remuneration that represents in total more than 40% of the total of his/her business, professional and personal work income.

Accuracy : Training, research, development and innovation activities will be considered to be carried out when any of the assumptions set out in article 72 of Law 14/2013, of September 27, on support for entrepreneurs and their internationalization, occur. In particular, this circumstance will be deemed to be fulfilled when the taxpayer has a residence permit prior to moving to Spanish territory.

3. That he does not obtain income that would be classified as obtained through a permanent establishment located in Spanish territory except in the cases of carrying out an entrepreneurial activity or an economic activity in Spain by highly qualified professionals that give the right to benefit from this special regime.

Accuracy : in accordance with the provisions of Article 93.1 c) of the Law of IRPFABBRThe only economic activities that taxpayers may carry out through a permanent establishment under this regime are entrepreneurial economic activity, the provision of services to emerging companies or the training, research, development and innovation activities provided for.

Accordingly, in the specific case of a partner who provides services to the company other than those derived from their position as administrator, **If it obtained income from economic activities (other than those mentioned in the previous paragraph) through a permanent establishment located in Spanish territory, the requirement provided for in article 93.1.c) of the Law would not be met. IRPFABBR.**

Contents of the special regime

Regulations: Art. 114 RegulationsIRPFABBR

The application of this special regime will involve the determination of the tax debt of IRPFABBR in accordance with the rules established in the consolidated text of the Non-Resident Income Tax Law, approved by Royal Legislative Decree 5/2004, of March 5 (hereinafter TRLIRNR), for income obtained without the mediation of a permanent establishment with the following special features:

a. The provisions of articles 5, 6, 8, 9, 10, 11 and 14 of the aforementioned TRLIRNR shall not apply. However, the income from work in kind referred to in letter a) of article 14.1 of TRLIRNR will be exempt.

The aforementioned article 14 of the TRLIRNR regulates exempt income and, in its letter a), refers, among others, to the income mentioned in [article 7 of the Personal Income Tax Law](#).

Precision: taxation of the main residence

Taxpayers under this special regime must pay taxes on the imputed income from real estate corresponding to urban real estate located in Spanish territory that is not used for economic activities, even when such real estate constitutes their main residence. Criteria set by the TEAC in its Resolution of July 17, 2025, Claim number 00/03697/2025, issued in appeal for the unification of criteria. In it, it considers that, when determining the tax debt in accordance with the rules of the Non-Resident Income Tax (IRNR), article 13.1.h) of the TRLIRNR is applicable, which does not contemplate any exception for the main residence. It also points out that the reference to article 85 of the Personal Income Tax Law for the purpose of quantification does not imply the application of its exemption regime.

b. All income from economic activities classified as an entrepreneurial activity or from employment income obtained by the taxpayer during the application of the special regime will be considered to have been obtained in Spanish territory.

However, income derived from an activity carried out prior to the date of transfer to Spanish territory or after the end of the transfer, which must be reported in form 149, is not considered to have been obtained during the application of the special regime, without prejudice to its taxation by the Non-Resident Income Tax when the aforementioned income is understood to have been obtained in Spanish territory.

c. For the purposes of the settlement of IRPFABBRThe income obtained by the taxpayer in Spanish territory during the calendar year will be taxed cumulatively, without any possibility of compensation between them.

d. To determine the full rate, two taxable bases are distinguished to which different scales will be applied:

- Base "A": Amount of the taxable base corresponding to the following income referred to in article 25.1. f) of TRLIRNR :

- Dividends and other income derived from participation in the equity of an entity.
- Interest and other revenues obtained by the assignment of equity capitals to third parties.
- Capital gains that arise from the transfer of assets.

The rates indicated in the following scale will be applied to this base in 2025:

Savings taxable base Up to euros	Full amount euros	Remaining taxable base of savings Up to euros	Applicable type Percentage
0	0	6,000	19
6,000	1,140	44,000	21
50,000	10,380	150,000	23
200,000	44,880	100,000	27
300,000	71,880	From there on	28

- Base "B": Amount of the taxable base corresponding to the rest of the income to which the rates indicated in the following scale will be applied in 2025.

Part of the taxable base euros	Applicable State Type Percentage
Up to 600,000 euros	24
From 600,000.01 euros onwards	47

e. The differential fee will be the result of reducing the total fee of IRPFABBR in:

- Deductions for donations and withholdings and payments on account that have been made on the taxpayer's income (including the amounts paid on account of the Non-Resident Income Tax).

Withholdings and payments on account as advance payments of the tax will be made, under the terms established by regulation, in accordance with the regulations of the Non-Resident Income Tax for income obtained without the mediation of a permanent establishment.

Notwithstanding the foregoing, in the case of income from economic activities, only income from activities classified as professional will be subject to withholding or income on account.

The percentage of withholding or payment on account of work income will be 24 percent. However, when the remuneration paid by the same payer of employment income during the calendar year exceeds 600,000 euros, the withholding percentage applicable in 2025 to the excess will be 47 percent.

In the case of income from economic activities subject to withholding or payment on account, the applicable withholding rate must be indicated on invoices issued during the application of this special regime.

In the case of transfers of real estate located in Spanish territory, the purchaser will be obliged to retain and pay 3%, or make the corresponding payment on account, of the agreed consideration, as payment on account of the tax corresponding to those properties.

- The deduction for international double taxation referred to in Article 80 of the Law of IRPFABBR applicable to employment income and economic activities classified as entrepreneurial activity obtained abroad, with a limit of 30 percent of the portion of the total tax liability corresponding to the entirety of said returns obtained in that tax period.

For these purposes, to calculate the average effective tax rate, the full rate and the taxable base must be taken into account, excluding, in both cases, the part thereof corresponding to the income referred to in article 25.1 f) of the TRLIRNR .

Duration

Regulations: Art. 115 RegulationsIRPFABBR

The special regime will apply during the tax period in which the taxpayer acquires his habitual residence in Spain and during the following five tax periods.

For these purposes, the tax period in which residency is acquired will be considered to be the first calendar year in which, after the transfer has taken place, the stay in Spanish territory is greater than 183 days.

Exercising the option for the special regime

Deadline for exercising the option for the special regime

Regulations: Articles Regulations 116 and 119 IRPFABBR

The exercise of the option to pay Non-Resident Income Tax must be carried out by using the communication model 149, approved by Order HFP /1338/2023, of December 13 (BOE of December 15), whose presentation will be made within the maximum period of six months from the date of commencement of the activity that appears in the registration with Social Security in Spain or in the documentation that allows, where appropriate, the maintenance of the Social Security legislation of origin or, in the event that registration with Social Security is not mandatory, on the date of commencement of the activity that appears in a supporting document. Said communication will be made individually by each taxpayer.

Please note that, in view of the special requirements for applying this special tax regime for displaced workers, teleworkers, highly qualified professionals and entrepreneurs, the way to submit this form will be electronic.

To submit this communication, they must be included in the Census of Taxpayers. Otherwise, they will first request registration in said Census by submitting the corresponding census declaration.

In said communication they must state, among other data: the identification of the taxpayer including their tax identification number and nationality, as well as, where applicable, that of the employer of the worker, that of the entity corresponding to the administrator, the start-up company in which the professional provides services or the entity where the training, research, development or innovation activities are carried out, the date of entry into Spanish territory and the date of commencement of the activity as stated in the registration with Social Security in Spain or in the documentation that allows, where applicable, the maintenance of the Social Security legislation of origin.

The taxpayer must also report in Form 149 the end of his/her transfer to Spanish territory without losing tax residency in Spain in said fiscal year within one month of this circumstance occurring, so that income derived from an activity carried out after the date of submission of the communication is not considered to have been obtained during the application of the special regime.

Finally, please note that, in view of the special requirements demanded to be able to apply this special tax regime by displaced workers, teleworkers, highly qualified professionals, people who carry out training, research, development and innovation activities and entrepreneurs, the way to submit this model will be electronic .

Important: *The taxpayer who chooses to pay the Non-Resident Income Tax will be subject to the Wealth Tax by real obligation, so he will only pay taxes on the assets and rights he has established in Spain.*

Documentation to be submitted with the communication of the option

The communication of the option must be accompanied by supporting documentation of registration with Social Security in Spain or documentation that allows the maintenance of the Social Security legislation of origin or, in the event that registration with Social Security is not mandatory, supporting documentation of the start date of the activity, the corresponding residence permit, if applicable, and the following **documentation** :

1. When starting an employment relationship, ordinary or special, or statutory, with an employer in Spain, a supporting document issued by the employer stating the recognition of the employment or statutory relationship with the taxpayer, the start date of the activity that appears in the registration with Social Security in Spain, the workplace and its address, as well as the duration of the employment contract.
2. In the case of a transfer ordered by your employer, a copy of the employer's transfer letter, as well as a supporting document issued by the employer stating the start date of the activity that appears in the registration with Social Security in Spain or in the

documentation that allows, where applicable, the maintenance of the Social Security legislation of origin, the workplace and its address, as well as the duration of the transfer order.

3. When, without being ordered by the employer, the work activity is carried out remotely through the exclusive use of computer, telematic and telecommunications means and systems, a supporting document issued by the employer stating the recognition of the employment relationship with the taxpayer, the start date of the activity that appears in the registration with Social Security in Spain or in the documentation that allows, where applicable, the maintenance of the Social Security legislation of origin, as well as the estimated duration of the provision of the work activity in Spain.
4. In the case of transfers as a result of acquiring the status of administrator of an entity, a supporting document issued by the entity stating the date of acquisition of the status of administrator. In the event that the entity is considered a patrimonial entity in the terms of article 5.2 of the LIS , a document issued by the same justifying that the taxpayer's participation in the entity does not determine the condition of related entity in the terms provided for in article 18 of the Corporate Tax Law.
5. In the case of travel as a result of carrying out an economic activity in Spain classified as entrepreneurial activity, the favourable report issued by the National Innovation Company, SME (ENISA), which will be requested directly by the taxpayer to ENISA, through the General Directorate of Industry and Small and Medium-sized Enterprises, unless the residence permit provided is a residence permit for entrepreneurs.
6. In the case of travel as a result of an economic activity carried out in Spain by a highly qualified professional who provides services to emerging companies, supporting documentation proving the status of highly qualified professional, unless the highly qualified professional residence permit held by prior to travel is provided , proof of registration as an emerging company in the Commercial Registry or in the competent Registry of Cooperatives to which the professional provides services, unless there is a procedure in place for online verification of this circumstance, as well as supporting documentation proving the provision of services to said emerging company.
7. In the case of travel as a result of carrying out training, research, development and innovation activities in Spain, a supporting document justifying the performance of these activities as referred to in Article 113.2 of this Regulation, unless the residence permit provided is for training, research, development and innovation.

Resignation and exclusion from the special regime

Regulations: Articles Regulations 117 and 118IRPFABBR

Taxpayers who have opted for the special regime may waive its application during the months of November and December prior to the start of the calendar year in which the waiver must take effect. Taxpayers who opt out of this special regime will not be able to opt for its application again.

In the case of employed workers, the notification of resignation will be accompanied by a stamped copy of the communication of data to the withholding agent referred to in Article 88 of the Regulations of IRPFABBR.

Exclusion from the special regime occurs due to non-compliance with any of the previously mentioned conditions determining its application, taking effect in the tax period in which the non-compliance occurs. Excluded taxpayers must report such circumstance to the tax authorities within one month of non-compliance with the conditions that determined its application.

Both the waiver and the exclusion must be communicated to the Tax Administration in form 149, approved by Order HFP /1338/2023, of December 13 (BOE of December 15). In this regard, please note that, in view of the special requirements demanded in order to apply this special tax regime by displaced workers, teleworkers, highly qualified professionals, people who carry out training, research, development and innovation activities and entrepreneurs, the way to submit this model will be electronic.

Effects of exclusion from the special regime

- As a general rule, withholdings and payments on account will be made in accordance with the rules of Personal Income Tax **from the moment in which the taxpayer fails to comply with the conditions** for the application of the special regime, except in the case of employment income, in which case they will be made from the moment in which the taxpayer informs the withholding agent that he or she has failed to comply with said conditions, calculating a new withholding rate on the basis of the total annual remuneration.

In the case of obtaining income from work, subject to the general procedure for calculating the withholding rate, the taxpayer must submit to his withholding agent the communication of data provided for in article 88 of the Law of IRPFABBR.

- Taxpayers excluded from this regime **will not be able to opt** for its application again.

Special IRPF declaration model

Taxpayers who opt for this special regime They will be required to submit and sign the special declaration form 151, approved in the aforementioned Order HFP/1338/2023, of December 13 (BOE December 15th), in the place and time period established, in general, for the presentation of the declarations of IRPFABBR without prejudice to the period specifically established in Article 4.2 of the aforementioned Order HFP/1338/2023 for the direct debit of the payment of tax debts resulting from the declarations.

Given the special requirements for applying this special tax regime for displaced workers, teleworkers, highly qualified professionals, people who carry out training, research, development and innovation activities and entrepreneurs, the way to submit this model will be electronic.

IRPF taxpayers who choose to apply this special regime may request the certificate of tax residence in Spain regulated in the second Additional Provision of Order HAC /3626/2003, of December 23 (BOE of December 30), which appears in Annex 9 of said Order.

B. Extension of the special regime to relatives of displaced taxpayers

Regulations: Art. 93.3 Law IRPFABBR and 113.3 Regulation IRPFABBR

Scope of application for relatives of displaced taxpayers

1. Family members to whom this regime can be extended

From 1 January 2023, like workers, entrepreneurial professionals and investors relocated to Spanish territory to whom they are associated, they will also be able to opt to be taxed under the Non-Resident Income Tax, maintaining their status as taxpayers under the IRPFABBR:

1. the spouse of the displaced taxpayer and his/her children, under twenty-five years of age or whatever their age in case of disability, or
2. the parent of these children, in the event of non-existence of a marital bond.

provided that, in any of these cases, the following conditions specified in the following section are met.

Please note that the determination of the relationship of these taxpayers with the displaced taxpayer who gives rise to the application of this special regime, as well as their age and disability status, will be made taking into account the situation existing at the time of exercising their option for the special regime.

2. Requirements that must be met in order to apply for the special regime

- a. **That they move** to Spanish territory with the taxpayer (the expatriate to whom they are associated) or at a later time, **provided that the first tax period in which the special regime applies to the latter has not ended**. Therefore, in order to apply this special regime to family members, it is essential that the displaced taxpayer applies this special regime in that tax period.
- b. Those who acquire their tax residency in Spain as a result of their move to Spanish territory.

For these purposes, **may move to Spanish territory prior to the** taxpayer to which they are associated, provided that, as a result of said move, they do not acquire tax residency in Spain before the first tax period in which the special regime applies to the latter.

Likewise, they may move **later** to the taxpayer to which they are linked provided that the period of application of the special regime for the latter has not ended.

- c. That **have not been residents in Spain** during the **five tax periods prior** to the one in which their move to Spanish territory occurs.
- d. That **they do not obtain income** that would be classified as obtained through a **permanent establishment** located in Spanish territory.

- e. That the sum of the taxable bases of the taxpayers in each of the tax periods in which this special regime **is applicable is less than the taxable base of the taxpayer** that gives rise to the application of this special regime and to which they are linked.

Contents of the special regime for relatives of displaced taxpayers

Regulations: Art. 114 Regulations IRPFABBR

The following will apply to family members of displaced taxpayers who, meeting the requirements established in the previous point, adhere to this special regime: [specialties](#) of the same.

Duration

Regulations: Art. 115 Regulations IRPFABBR

The special regime will apply to the relatives of the displaced taxpayer during the successive tax periods in which, if the [conditions indicated are met](#), it also applies to the displaced taxpayer, without prejudice to the waiver or exclusion of the regime in the terms indicated below.

Exercising the option for the special regime

Regulations: Articles 116.1.b) and 119.3 Regulation IRPFABBR

The option to pay Non-Resident Income Tax must be exercised by using communication form 149, approved by Order HFP /1338/2023, of December 13 (BOE of December 15), which must be submitted individually by each family member who wishes to opt for the regime and at most within the longest of the following periods:

- six months from the date of entry into Spanish territory, or
- six months from the date of commencement of the activity as stated in the registration with Social Security in Spain or in the documentation that allows, where applicable, the displaced worker, which gives rise to the application of this special regime, to maintain the Social Security legislation of origin or, in the event that registration with Social Security is not mandatory, in the document justifying the date of commencement of the activity if it is greater.

Please note that the determination of the relationship of these taxpayers with the displaced taxpayer who gives rise to the application of this special regime, as well as their age and disability status, will be made taking into account the situation existing at the time of exercising their option for the special regime.

This communication will include, among other data: the identification of the requesting taxpayer, including his/her tax identification number, and that of the displaced taxpayer to whom he/she is associated, the identification of the communication of the option to the regime made by the latter, the type of link with it, as well as the date of entry into Spanish territory.

Likewise, the **documentation** that proves the link with the taxpayer to which they are associated, which determines the right to opt for the special regime, must be attached.

The situation of disability will be considered accredited when the corresponding certificate or resolution issued by the Institute of Migration and Social Services or the competent body of the Autonomous Communities referred to in article 72 of the Regulation has been requested. IRPFABBR even if said certificate or resolution had not been issued at the time of exercising the option, although the application of the special regime will be conditional upon the recognition of the disability status.

The taxpayer must also report the end of his/her transfer to Spanish territory in Form 149 within one month of this circumstance occurring.

Finally, please note that, in view of the special requirements for applying this special tax regime for displaced workers, teleworkers, highly qualified professionals and entrepreneurs, the way to submit this form will be electronic.

Note: *The taxpayer who chooses to pay the Non-Resident Income Tax will be subject to the Wealth Tax by real obligation, so he will only pay taxes on the assets and rights he has established in Spain.*

Waiver and exclusion from the special regime for relatives of displaced taxpayers

Regulations: Articles 117.3 and 118.4 Regulation IRPFABBR

Resignation regime

Family members of displaced taxpayers who have also opted for the special regime may individually waive its application during the months of November and December prior to the beginning of the calendar year in which the waiver must take effect.

Taxpayers who opt out of this special regime will not be able to opt for its application again.

Exclusion regime

Family taxpayers of displaced persons will be **jointly** excluded from the application of this regime if the sum of their taxable bases in each of the tax periods in which this special regime is applicable results greater than or equal to the taxable base of the taxpayer to which they are linked.

Likewise, other causes that will determine the exclusion from the application of this regime:

- Failure to comply with any of the remaining conditions that determine the application of the regime, or
- Failure to comply with the connection, age, or disability requirements required for the option.

The requirements for the application of the special regime due to the termination of the marriage bond due to divorce or annulment of the marriage will not be deemed to have been breached.

In these cases, the taxpayer who caused the violation will be excluded from the regime, and the others may continue with its application.

In any case, the exclusion will take effect in the tax period in which the non-compliance with any of the causes indicated above occurs or the waiver or exclusion of the taxpayer to whom they are associated takes effect.

Excluded taxpayers must communicate this circumstance to the Tax Administration within a period of one month from the failure to comply with the conditions that determined their application, except in the case in which the taxpayer with whom they are associated has communicated their resignation or exclusion, in which case It will not be necessary for them to communicate it.

Both the waiver and the exclusion must be communicated to the Tax Administration in form 149, approved by Order HFP /1338/2023, of December 13 (BOE of December 15). In this regard, keep in mind that, taking into account the special requirements demanded to be able to apply this special tax regime for displaced workers, teleworkers, highly qualified professionals and entrepreneurs, the method of presentation of this model will be electronic.

Summary table

SPECIAL TAX REGIME APPLICABLE TO WORKERS MOVING TO SPANISH TERRITORY AS OF JANUARY 1, 2015

(Article 93 Law of IRPFABBR, wording given by Law 26/2014)

Scope	A) For workers, professionals, entrepreneurs and investors relocated to Spanish territory. a. That they have not been residents in Spain during the five tax periods prior to the one in which they move to Spanish territory. b. That they are not professional athletes. c. That the movement to Spanish territory, either in the first year of application of the regime or in the previous year, occurs as a result of any of the following circumstances: • From an employment contract (including remote workers with a visa for international teleworking). • From the acquisition of the status of administrator of an entity regardless of the percentage of participation in it except if it is a patrimonial entity (in which case its participation in it cannot determine the consideration of related entity in the terms provided in article 18 of the LIS . • From the realization in Spain of an economic activity qualified as entrepreneurial in the terms of article 70 of Law 14/2013, or • From the realization in Spain of an economic activity that is exercised by a highly qualified professional who provides services to emerging companies or who carries out training or R&D&I activities. d. That he/she does not obtain income that would be classified as obtained through a permanent establishment located in Spanish territory except, from January 1, 2023, in the case of carrying out an entrepreneurial activity or an economic activity in Spain by highly qualified professionals that entitle them to benefit from this special regime. B) For family members related to the above, applicable from January 1, 2023. It must be: • The spouse of the displaced taxpayer • Your children, under twenty-five years of age or whatever their age in case of disability, or • The parent of these, in the event of non-existence of a marital bond As long as they meet the following requirements: • They move to Spanish territory with the taxpayer (the expatriate to whom they are associated) or at a later time, provided that the first tax period in which the special regime applies to the taxpayer has not ended. • Those who acquire their tax residency in Spain as a result of their move to Spanish territory. • That they have not been residents in Spain during the five tax periods prior to the one in which they move to Spanish territory.

	• That they do not obtain income that would be classified as obtained through a permanent establishment located in Spanish territory. • That the sum of the taxable bases of the taxpayers in each of the tax periods in which this special regime is applicable is less than the taxable base of the taxpayer that gives rise to the application of this special regime and to which they are linked.
Content: rules for determining debt in both cases	The debt is determined according to the rules of the IRNR with the following specialties: • The total of the income from economic activities classified as an entrepreneurial activity or of the income from work obtained by the taxpayer during the application of the special regime are understood to have been obtained in Spanish territory. • The income obtained by the taxpayer in Spanish territory during the calendar year is taxed cumulatively, without any offsetting being possible between them. • To determine the full fee, the two specific scales established in Article 93 of the Law are applied. IRPFABBR: ◦ A scale for the part of the base corresponding to the income referred to in Article 25.1. f) of TRLIRNR (dividends, interest and capital gains). ◦ A scale for the part of the base corresponding to the rest of the income. • The differential rate will be the result of reducing the full tax rate by: ◦ The deduction for donations, under the terms provided for in the Law of IRPFABBR and the withholdings made on account (including the fees paid on account of IRNR). ◦ The deduction for international double taxation referred to in Article 80 of the Law of IRPFABBR applicable to income from work and economic activities classified as entrepreneurial activity obtained abroad.

Optional personal income tax tax regime for taxpayers residing in other Member States of the European Union

Conditions of application

Regulations: Art. 46 TRLIRNR and 21 of Regulation IRNR

They can request the application of this optional tax regime for the IRPFABBR taxpayers subject to Non-Resident Income Tax (IRNR) that they are natural persons and that they meet the following conditions:

- a. They must prove that they are residents of a Member State of the European Union or that they are residents of a Member State of the European Economic Area with which there is an effective exchange of tax information.
- b. That the taxpayer proves any of these circumstances:
 - That you have obtained during the fiscal year in Spain from work and from economic activities, at least 75 percent of your total income, or,

- That the income obtained during the year in Spain has been less than 90% of the personal and family minimum that would have corresponded to him/her according to his/her personal and family circumstances had he/she been a resident in Spain and that the income obtained outside Spain has also been less than said minimum.

c. That these incomes obtained during the year in Spain have actually been taxed by the IRNR .

Exercise of the option

Exercising the option to pay taxes on the IRPFABBR It must be done using the application form approved by the Order HAP /2474/2015, of November 19 (BOE of November 24), which must be submitted within four years from May 2 or the next working day of the following calendar year corresponding to the tax period for which the application of said regime is requested.

Note: *If any member of the family unit chooses to pay taxes under this regime, the deduction established, from 1 January 2018, by the forty-eighth Additional Provision of the Law will not apply. IRPFABBR, for family units formed by tax residents in Member States of the European Union or the European Economic Area, which is discussed in the [Chapter 16](#) of this Manual.*

Content of the regime

In accordance with the provisions of article 46 of the TRLIRNR , approved by Royal Legislative Decree 5/2004, of March 5, and in 21 to 24 of the Regulation of the IRNR , approved in the sole article of Royal Decree 1776/2004, of July 30, the content of the optional regime is the following:

- Taxable income will consist of all income obtained in Spain by the taxpayer in the tax period.
- The applicable tax rate will be the average rate, expressed to two decimal places, resulting from applying the rules of IRPFABBR to the total income obtained by the taxpayer during the tax period, regardless of where it was produced and whatever the residence of the payer, taking into account the taxpayer's personal and family circumstances that have been duly accredited.
- The tax rate will be the result of applying the average tax rate to the portion of the taxable base corresponding to the income obtained by the taxpayer in Spanish territory.
- If the result of the above operations is less than the total amount of the amounts paid during the tax period by the non-resident taxpayer in the form of IRNR on income obtained in Spanish territory, the excess will be refunded.

Note: *The taxpayer to whom this optional regime applies will not lose his status as a taxpayer for the Non-Resident Income Tax.*

Subject to personal income tax: temporal aspects

Accrual and tax period

Regulations: Articles Law 12 and 13 IRPFABBR

In general, the tax period **is the calendar year**, accruing the IRPFABBR December 31st of each year.

Therefore, the declaration of IRPFABBR The 2025 tax year must include all the facts and circumstances with tax implications for the purposes of said tax that are attributable to said calendar year.

The tax period is less than a calendar year only when the taxpayer's death occurs on a day other than December 31, at which point the tax period ends and the tax becomes due at that time.

No other event other than the death of the taxpayer (marriage, divorce, marital separation, etc.) **will give rise to tax periods shorter than a calendar year**. Therefore, for the same taxpayer there cannot be more than one tax period within the same calendar year.

Only in declarations corresponding to tax periods shorter than a calendar year, the "Accrual" section of the declaration form must be completed.

Important : *In the event of the death of a taxpayer who is part of a family unit, the remaining members may opt for joint taxation, but without including the deceased's income in said declaration.*

Example :

Marriage formed by spouses "A" and "B" with whom their minor son "C" lives. In the month of June, spouse "A" dies.

Determine the tax period and tax forms of the members of the family unit.

Solution:

Family members may choose to pay taxes in the following ways:

Individual taxation.

- Individual declaration of spouse "A" with a tax period less than a calendar year.
- Individual declaration of spouse "B" with a tax period equal to the calendar year.
- Individual declaration of child "C" with a tax period equal to the calendar year.

Individual and joint taxation.

- Individual declaration of spouse "A" with a tax period less than a calendar year.
- Joint declaration of the remaining members of the family unit ("B" and "C") for the entire year.

General rules for taxation in tax periods of less than a calendar year

Obligation to report

The amounts that determine the existence of the obligation to declare will be applied in their full amounts, regardless of the number of days that comprise the tax period of the deceased, and without having to raise them to one year.

Income that must be included in the declaration

Regulations: Art. 14.4 Law IRPFABBR

The income to be included in the declaration will be that accrued in the period between January 1 and the date of death, including any income pending attribution, in accordance with the rules for the temporary attribution of income contained in the regulations governing the IRPFABBR.

Imputed real estate income (non-rented property, excluding primary residences and undeveloped land) must be quantified based on the number of days that make up the tax period that is the subject of the declaration.

Note: All income pending imputation that the deceased had must be included in the taxable base of the declaration of the last tax period. In this case, the heirs of the deceased may request, within the regulatory declaration period, the installment payment of the portion of the tax debt corresponding to said income, based on the tax periods to which the income should have been attributed, with a maximum limit of 4 years, in accordance with the provisions of Article 63 of the Regulations of IRPFABBR.

Reduction for obtaining work income

The reduction to be applied to the net income from personal work will be applied to the full amount corresponding to the amount of said net income, without prorating said amount based on the number of days that make up the tax period.

See, within [Chapter 3](#), the amounts and requirements of this reduction.

Minimum personal, family and disability

Regardless of the length of the tax period, the personal, family and disability minimum amounts will be applied in the corresponding amounts, without prorating based on the number of days in the tax period.

See, within [Chapter 14](#), the amounts and requirements of said minimums.

Reductions in the tax base for contributions to social security systems

Included in the reductions for contributions to social security systems are those established in favour of people with disabilities, as well as protected assets of people with disabilities and the Mutual Fund for Social Security of Professional Athletes.

The maximum reduction limits for contributions to the aforementioned social security systems, as well as to the protected assets of persons with disabilities and to the mutual benefit fund for professional athletes, will be applied in their full amounts, regardless of the duration of the tax period.

Deductions from the fee

The maximum limits established for certain deductions from the quota will be applied in their full amount, regardless of the number of days in the tax period.

Note: *In the event of marriages in which one of the spouses dies, the minimum allowance for descendants will be prorated equally between both spouses if, on the date of accrual of the IRPFABBR, both would be entitled to its application, regardless of whether the surviving spouse files a joint declaration with the children.*

Chapter 3. Earned income

The Tax Agency's electronic headquarters incorporates a " [Virtual Income Assistant](#) », where you can find out how to calculate the income derived from work, including its different concepts (payrolls, pensions, compensation, food annuities or subsidies, for example), the applicable expenses, reductions and withholdings, as well as exceptional situations that may occur, such as delays.

Subject

General concept and characteristic notes

Regulations: Art. Law 17 IRPFABBR

The following are considered for tax purposes as gross income from work *"all compensation or benefits, whatever their name or nature, monetary or in kind, that derive, directly or indirectly, from personal work or from an employment or statutory relationship and do not have the character of income from economic activities"* .

According to the transcribed legal definition, work income is characterized by the following **notes** :

- a. They include all compensation or profits, whatever their name or nature, whether monetary or in kind.
- b. That derive, directly or indirectly, from the personal work or from the employment or statutory relationship of the taxpayer.
- c. That they do not have the character of income from economic activities. Therefore, income from activities in which, independently of the contribution of his personal work, the taxpayer manages on his own account the means of production and human resources, or only one of both factors, with the aim of participating in the production or distribution of goods or services, are excluded.

The fiscal concept of income from economic activities and its delimitation with respect to income from work is discussed in [Chapter 6](#) .

Work income by nature

Regulations: Art. 17.1 Law IRPFABBR

In particular, the following are included among the gross earnings from work:

- a. Salaries and wages.
- b. Unemployment benefits.

These unemployment benefits received in the [single payment option](#) They are declared exempt in Article 7 of the Law of IRPFABBR.

- c. Remuneration in the form of representation expenses.
- d. Diets and allowances for travel expenses, except for those for transportation and those considered normal for food and lodging in hospitality establishments, with the limits established by regulations, which are discussed below.

See the diets and allowances for this purpose. [travel expenses and normal living and accommodation expenses](#) exempt from tax as referred to in Article 9 of the Regulations of IRPFABBR.

- e. The contributions or contributions paid by the promoters of pension plans provided for in the consolidated text of the Law regulating pension plans and funds, approved by Royal Legislative Decree 1/2002, of November 29 (BOE of December 13), or by the promoter companies provided for in Directive (EU) 2016/2341 of the European Parliament and of the Council of December 14, 2016, relating to the activities and supervision of funds of employment pensions.

Precision: although article 17.1.e) of the Law of IRPFABBR It refers to Directive 2003/41/EC of the European Parliament and of the Council of 3 June 2003, which has been repealed with effect from 13 January 2019 by Directive (EU) 2016/2341, which further states that references to Directive 2003/41/EC shall be construed as references to it.

- f. Contributions or contributions paid by employers to meet pension commitments under the terms set forth in the First Additional Provision of the consolidated text of the Law regulating pension plans and funds, approved by Royal Legislative Decree 1/2002, cited above, and in its implementing regulations, **when they are attributed to the persons to whom the benefits are linked.**

This tax imputation will be **voluntary** in collective insurance contracts other than company social security plans, and the decision adopted with respect to the rest of the premiums paid must be maintained until the termination of the insurance contract.

However **tax imputation becomes** in the following cases:

- In **risk insurance** contracts (such as, for example, insurance covering the contingency of death or disability).
- When the insurance contracts jointly cover the contingencies of retirement and death or disability, in the part of the premiums paid that corresponds to the capital at risk due to death or disability, provided that the amount of said part exceeds 50 euros per year.

For these purposes, the difference between the capital insured for death or disability and the mathematical provision is considered to be risk capital.

- In insurance contracts in which the fiscal imputation of premiums is voluntary, the imputation will be mandatory **for the amount exceeding 100,000 euros per year** per taxpayer and in respect of the same employer, except in collective insurance contracted as a result of collective dismissals carried out in accordance with the provisions of article 51 of the Workers' Statute.

However, in group insurance policies contracted before December 1, 2012, which include premiums of an expressly determined amount, and the annual amount of these exceeds this limit of 100,000 euros, a transitional regime is established which determines that in these cases the imputation of that excess will not be mandatory (See the twenty-sixth transitional provision of the Law of IRPFABBR).

Employment income by express legal provision

Regulations: Art. 17.2 and Fifty-Third Additional Provision of the Law IRPFABBR

By express legal provision, the following are, in any case, considered as work income:

a) Benefits derived from social security systems

Among the benefits derived from social security systems that are considered work income are the following:

- **Social Security and Passive Classes**

Pensions and passive earnings received from public Social Security regimes and passive classes are considered income from work, regardless of the person who generated the right to receive them. Likewise, other public benefits for situations of disability, retirement, accident, illness, widowhood, or similar constitute employment income.

However, they are declared exempt from IRPFABBR Benefits received for permanent total disability or severe disability, pensions for incapacity or permanent disability under the civil service pension scheme, provided that the injury or illness completely disables the recipient from any profession or occupation, as well as family benefits referred to in point h) of Article 7 of the Law of IRPFABBR.

Note: Please note that the Minimum Living Income constitutes a non-contributory Social Security benefit in accordance with the provisions of Article 2.2 of Law 19/2021, of December 20, which regulates it. Therefore, the portion exceeding the exemption provided for in the [Article 7\(y\) of the Law of IRPFABBR](#).

Law 19/2021, of December 20, which establishes the minimum vital income, replaces, with effect from January 1, 2022, Royal Decree-Law 20/2020, of May 29.

- **General compulsory mutual funds for civil servants (MUFACE , MUGEJU , ISFAS), orphanages and other similar entities**

The benefits received by the beneficiaries of the aforementioned mutual societies, orphanages and other similar entities constitute income from work.

• Pension plans

Work income is the benefits received by the beneficiaries of the pension plans and those received from the pension plans regulated in Directive (EU) 2016/2341 of the European Parliament and of the Council, of December 14, 2016, relating to the activities and supervision of employment pension funds, whatever the contingency covered by them.

In the case of pension plans, the contingencies for which benefits are paid are those provided for in article 8.6 of the consolidated text of the Law regulating Pension Plans and Funds, approved by Royal Legislative Decree 1/2002, of November 29.

These contingencies are:

a. Retirement:

To determine the contingency of retirement, the provisions of the corresponding Social Security Regime will apply.

When it is not possible for a participant to access retirement, the contingency will be deemed to have occurred from the time he or she reaches 65 years of age, at the time when the participant is not exercising or has ceased his or her work or professional activity, and is not contributing towards the retirement contingency for any Social Security Regime. However, the corresponding benefit may be received in advance from the age of 60, under the terms established by regulation.

In addition, pension plans may provide for the payment of the retirement benefit in the event that the participant, regardless of his or her age, terminates his or her employment relationship and becomes legally unemployed in the following cases:

- Due to the death, retirement or incapacity of the employer or due to the termination of the legal personality of the contractor (article 49.1.g) of the Revised Text of the Workers' Statute Law).
- Collective dismissal (Article 51 of the Revised Text of the Workers' Statute Law).
- Termination of the contract for objective reasons (Article 52 of the Revised Text of the Workers' Statute Law).
- In the event of bankruptcy (Article 57 of the Revised Text of the Workers' Statute Law).

In accordance with the above, the early collection of the retirement benefit is legally provided for as a way of receiving the benefit for the contingency of retirement.

- b. **Total and permanent incapacity for work in the usual profession or absolute and permanent incapacity for any job, and severe disability** , determined in accordance with the corresponding Social Security Regime.
- c. **Death of the participant or beneficiary, which may generate the right to widowhood, orphanhood benefits or benefits in favor of other heirs or designated persons** .
- d. **Severe dependency or great dependency of the participant** , regulated in the Law on the promotion of personal autonomy and care for people in situations of dependency.

Its consideration as work income is maintained, regardless of the form of collection of said benefit: income, capital or in mixed form, income and capital.

Also considered as employment income are the amounts received from the disposal of the consolidated rights of pension plans in the exceptional cases of liquidity referred to in article 8.8 of the consolidated text of the Law on the Regulation of Pension Plans and Funds (in cases of serious illness or long-term unemployment and from 2025 onwards for contributions with at least ten years of age). These amounts will have the same tax treatment as pension plan benefits.

Considering that the primary purpose of pension plans is to address contingencies of retirement, disability, death or dependency, as well as the exceptional nature of liquidity cases (serious illness or long-term unemployment and from 2025 onwards for contributions with at least ten years of history), in the event that the benefit could be collected due to the occurrence of a contingency and simultaneously the requirements demanded for the collection of consolidated rights due to an exceptional liquidity case are met, for tax purposes it must be understood that the benefit is received due to the occurrence of the contingency of retirement, disability, death or dependency.

• Social security mutual societies

Income from work includes benefits received by beneficiaries of insurance contracts entered into with mutual benefit societies, regardless of the contingency covered (retirement, disability, death, severe or total dependency and unemployment for working members), whose contributions may have been, at least in part, a deductible expense for the determination of the net income from economic activities (the mutual society acting, in this case, as an alternative system to the special Social Security scheme for self-employed workers) or subject to reduction in the taxable base of IRPFABBR (in this case, the mutual insurance company acts as a complement to the mandatory Social Security system).

Social security mutual societies are insurance entities that provide a voluntary insurance modality complementary to the mandatory Social Security system, whose legal regulation is found in articles 43 and following of Law 20/2015, of July 14, on the regulation, supervision and solvency of insurance and reinsurance entities (BOE of July 15). The name of these entities must necessarily include the indication "Mutual Fund for Social Security". Due to their special fiscal relevance, the following can be highlighted, among others: professional mutual societies established by professional associations and mutual societies that act as an instrument of corporate social security in favour of workers. See also the Ninth Additional Provision of the Law of IRPFABBR.

The requirements that contributions must meet to be considered as [deductible expense](#) or as [reduction in the tax base](#) are discussed, respectively, in Chapters 7 and 13.

The integration into the tax base of the benefits received from Social Security Mutual Societies must be carried out, depending on the nature of the contingency covered, in accordance with the following criteria:

1. Retirement or disability benefits

These benefits are included in the recipient's tax base, as income from work, exclusively to the extent that their amount exceeds the contributions that could not be reduced or decreased in the tax base due to failure to comply with any of the subjective requirements legally provided for this purpose.

Therefore, contributions redeemed by beneficiaries of insurance contracts entered into with mutual benefit societies when, on the occasion of the regularization carried out by the Tax Administration, such contributions could not at any time be subject to reduction or decrease of the taxable base of the tax, cannot be considered gross employment income and, therefore, are not subject to taxation in the IRPFABBR as income from work.

In the case of **contributions made before 1 January 1999**, when the amount of the contributions that could not be reduced or decreased in the tax base cannot be proven, 75% of the retirement or disability benefits received will be included.

See in this regard the second transitional provision of the Law of IRPFABBR.

Notwithstanding the foregoing, they are exempt from IRPFABBR Benefits for permanent disability or severe disability, received by professionals not integrated into the special Social Security scheme for self-employed workers or freelancers, derived from insurance contracts signed with mutual benefit societies acting as alternatives to said Social Security scheme, provided that they are benefits in situations identical to those provided for permanent absolute disability or severe disability of the Social Security.

See the exemption for "Benefits for [permanent absolute disability or severe disability](#) received from Social Security or from entities that replace it" in Chapter 2.

2. Other benefits

The remaining benefits, including those received in the event of death, are taxed as employment income in their entirety.

3. Consolidated rights provision

The early disposal of economic rights of mutual members is possible in the same cases provided for pension plans. Amounts received from the early disposition, in whole or in part, of vested rights are taxed as employment income.

• Corporate social security plans and other collective insurance contracts that implement the pension commitments assumed by companies

It is necessary to distinguish:

a. Corporate social security plans:

The benefits received by beneficiaries of company social security plans are in all cases considered to be work income.

Please note that the early withdrawal of economic rights of the insured in these cases is possible under the same conditions provided for pension plans (long-term unemployment or serious illness and from 2025 onwards for contributions with at least ten years of history).

For more information, the concept and requirements that must be met by [corporate social security plans](#) are discussed in Chapter 13.

b. Collective insurance contracts, other than social security plans, that implement pension commitments assumed by companies.

Retirement and disability benefits received by beneficiaries of collective insurance contracts, other than company social security plans, which implement pension commitments assumed by companies, in accordance with the terms set forth in the first additional provision of the consolidated text of the Law regulating Pension Plans and Funds, and in its implementing regulations, shall be included as work income in the tax base to the extent that their amount exceeds the contributions imputed for tax purposes and the contributions directly made by the worker.

Please also note that, in accordance with the first Additional Provision of the consolidated text of the Law on the Regulation of Pension Plans and Funds in the wording given by Law 27/2011, of August 1 (BOE of August 2), collective dependency insurance is accepted, as of January 1, 2013, as insurance contracts suitable for implementing pension commitments assumed by companies. See the point regarding

dependency insurance in this same section.

Regarding the right of redemption in group insurance contracts that implement pension commitments assumed by companies, see Additional Provision One of the Law of IRPFABBR.

The benefits received by the heirs as a result of the death of the insured worker **do not constitute** personal work income since their receipt is subject to the Inheritance and Gift Tax.

• Insured pension plans

The benefits received by beneficiaries of insured pension plans are in all cases considered to be work income.

The concept and requirements of [insured pension plans](#) are discussed in Chapter 13.

• Dependency insurance

The benefits received by beneficiaries of dependency insurance in accordance with the provisions of Law 39/2006, of December 14, on the Promotion of Personal Autonomy and Care for People in Situations of Dependency (BOE of December 15) are considered to be work income.

b) Amounts paid due to the charge

The amounts paid, by reason of their position, to **Spanish deputies in the European Parliament, deputies and senators of the Cortes Generales, members of autonomous legislative assemblies, municipal councillors and members of provincial councils, island councils or other local entities** are considered to be employment income, excluding, in any case, the part of those that said institutions assign for travel and displacement expenses.

c) Income from courses, conferences, colloquiums, seminars and similar

Income from work is classified as income derived from giving courses, conferences, colloquia, seminars and similar activities, provided that said activities do not involve the self-management of means of production and human resources or one of both, with the aim of participating in the production or distribution of goods or services, in which case they will be classified as income from economic activities.

The consideration of these incomes as returns from economic activities will depend on the existence of such self-employment of productive factors, which must be determined in each specific case, in view of the concurrent circumstances. However, and in general, it is possible to speak of the existence of self-employment when the taxpayer intervenes as the organizer of the courses, conferences or seminars, offering them to the public and arranging, where appropriate, with the professors or lecturers their participation in such events, or when they participate in the successful or adverse results that derive from them.

Likewise, it can be understood that income is obtained from economic activities when the taxpayer was already carrying out economic activities and participates in the teaching of classes or courses in subjects directly related to the object of his activity, so that it can be understood that it is one more service of those provided through

self-employment that configures the economic activity that he was already carrying out.

d) Income from the production of literary, artistic or scientific works

Income from work is considered to be income derived from the production of literary, artistic or scientific works, provided that the right **to exploit them** is transferred and said income does not derive from the exercise of an economic activity.

According to articles 17 and following of Royal Legislative Decree 1/1996, of April 12, approving the revised text of the Intellectual Property Law, the right to exploit the work includes its reproduction, distribution, public communication and transformation.

However, when the copyright is received **a third party other than the author**, will constitute income from movable capital for the recipient.

Furthermore, it should be noted that Article 95.2.b).1 of the Regulation of IRPFABBR It considers as professional income that obtained by the authors or translators of works, derived from intellectual or industrial property. Furthermore, when authors or translators directly publish their works, their income will be included among those corresponding to business activities.

e) Remuneration of administrators and members of company representative bodies

The remuneration of directors and members of the Boards of Directors, of the Boards that act in their place and other members of other representative bodies will be considered as employment income.

In these cases, their qualification as work performance is determined by membership in a body entrusted with the function or functions of administration and management of the assets of an entity, whatever the nature of the entity and without limiting it to cases of commercial entities.

f) Compensatory pensions received from the spouse and annuities for food

Compensatory pensions received from the spouse and alimony annuities are considered income from work, except for those received from parents by virtue of a court decision, which are declared exempt.

Please note that the annuities received from parents that are declared exempt under Article 7.k) of the Law of IRPFABBR They include both those established under the regulatory agreement referred to in Article 90 of the Civil Code or the equivalent agreement provided for in the regulations of the Autonomous Communities, approved by the judicial authority or formalized before the lawyer of the Administration of Justice or in a public deed before a Notary, as well as those received by judicial decision in cases other than those of the agreement.

Both reduce the tax base of those who pay them.

The [reductions in the tax base for compensatory pensions and food annuities](#) are discussed in Chapter 13 of this Manual.

g) Special rights of economic content reserved by the founders or promoters of a company

Regulations: See also Article 47 of the Regulation IRPFABBR

Income from work is considered to be the special rights of economic content that are reserved by the founders or promoters of a company as remuneration for personal services.

For these purposes, the special rights of economic content that are reserved by the founders or promoters of a company as remuneration for personal services, when they consist of a percentage of the entity's profits, **will be valued, as a minimum**, at 35% of the equivalent value of the share capital that allows the same participation in the profits as that recognized to the aforementioned rights.

h) Non-exempt scholarships

Scholarships to which the [exemption discussed](#) in Chapter 2 is not applicable are work income.

Remember: Article 7.j) of the Personal Income Tax Law declares exempt public scholarships, scholarships granted by non-profit entities to which the special regime regulated in Title II of Law 49/2002, of December 23, on the tax regime of non-profit entities and tax incentives for patronage, and scholarships granted by banking foundations regulated in Title II of Law 26/2013, of December 27, on savings banks and banking foundations in the development of their social work activity, received to pursue regulated studies, both in Spain and abroad, at all levels and degrees of the educational system, under the terms established by regulation.

In addition, also They are considered exempt, under the terms established in Article 2 of the Regulations of IRPFABBR, public scholarships and those granted by the aforementioned non-profit entities and banking foundations for research in the field described by Royal Decree 63/2006, of January 27, which approves the Statute of research personnel in training, as well as those granted by them for research purposes to civil servants and other personnel in the service of the Public Administrations and to the teaching and research staff of the universities.

Please note that the aforementioned Royal Decree 63/2006 has been repealed by Royal Decree 103/2019, of March 1, which approves the Statute of predoctoral research personnel in training (BOE of March 15).

i) Remunerations to collaborators in humanitarian or social assistance activities

Earnings from work are considered to be the remuneration received by those who collaborate in humanitarian or social assistance activities promoted by non-profit entities.

Social assistance should be understood as "the set of actions and activities developed by the Public Sector or by Entities or private persons outside the framework of Social Security, allocating economic, personal or organizational resources to address, fundamentally, states of need and other deficiencies of certain groups (elderly, minors and young people, ethnic minorities, drug addicts, refugees and asylum seekers, etc.) or other people in a state of need, marginalization or social risk."

j) Remuneration derived from special employment relationships

The remuneration derived from special employment relationships is considered to be employment income.

For these purposes, the following are considered special employment relationships, in accordance with article 2 of the consolidated text of the Workers' Statute Law, approved by Royal Legislative Decree 2/2015, of October 23 (BOE of October 24):

- Senior management staff (Royal Decree 1382/1985, of August 1).
- Personnel serving the family home (Royal Decree 1620/2011, of November 14).
- Sentenced in Penitentiary Institutions (Royal Decree 782/2001, of July 6).
- Professional athletes (Royal Decree 1006/1985, of June 26).
- Artists who carry out their activity in the performing, audiovisual and musical arts, as well as people who carry out technical or auxiliary activities necessary for the development of said activity (Royal Decree 1435/1985, of August 1).
- Persons who participate in commercial operations on behalf of one or more entrepreneurs without assuming the risk and venture thereof (Royal Decree 1438/1985, of August 1).
- Disabled workers who provide services in special employment centres (Royal Decree 1368/1985, of July 17).
- Minors subject to the execution of internment measures for the fulfilment of their criminal responsibility (Royal Decree 1774/2004, of July 30).
- Residency activity for the training of specialists in Health Sciences (Royal Decree 1146/2006, of October 6).
- Professional activity of lawyers who provide services in law firms, individually or collectively (First Additional Provision of Law 22/2005, of November 18, and Royal Decree 1331/2006, of November 17).
- Any other work that is expressly declared as a special employment relationship by law.

Note: When the income derived from the special employment relationships of artists and commercial agents and commission agents involves the organization on one's own account of means of production and human resources or one of the two, with the purpose of intervening in the production or distribution of goods or services, it will be classified as income from economic activities (Art. 17.3 Law IRPFABBR).

k) Contributions made to the protected assets of people with disabilities

Note: Please note that Law 13/2023, of May 24 (BOE of May 25) has modified the aforementioned Law 41/2003, of November 18, of property protection of people with disabilities, to equate the protected assets of people with disabilities formalized in accordance with the autonomous civil law with those constituted in accordance with the aforementioned Law 41/2003, for the purposes of the application, under the same terms and conditions, of all the tax benefits that affect them.

See the table on [contributions to protected assets of persons with disabilities](#) at the end of this section.

By express legal provision, in any case, the contributions made to the protected assets of people with disabilities regulated in Law 41/2003, of November 18, on the assets protection of people with disabilities and modification of the Civil Code, the Civil Procedure Law and the Tax Regulations for this purpose (BOE of November 19), or in the respective laws that regulate this figure with the same purpose in the different Autonomous Communities with constitutional powers to regulate their own civil, regional or special law, in this matter, in the terms indicated below.

Contributions to protected assets that constitute work income for the owner of said assets.

Regulations: Eighteenth Additional Provision of the Law IRPFABBR.

- Contributions made to protected assets are considered work income for the disabled person who owns said assets, with the following limits and conditions:
 1. When the contributors are taxpayers of IRPFABBR, up to the amount of 10,000 euros per year for each contributor and 24,250 euros per year for all contributors combined.
 2. When the contributors are taxpayers of Corporate Tax, provided that the contributions have been deductible expenses in Corporate Tax, with a limit of 10,000 euros per year. This limit is independent of those indicated in number 1 above.

The amounts that, in the terms previously mentioned, are considered income from work are not subject to withholding or payment on account.

- Valuation in the case of non-monetary contributions. It is necessary to distinguish:
 - Up to the amount of the contribution **that does not exceed** The limits set (which are considered as employment income) the person with a disability who owns the protected assets will be subrogated to the position of the contributor with respect to the

date and value of acquisition of the assets and rights contributed, without, for the purposes of subsequent transfers, the reduction coefficients provided for in the ninth transitional provision of the Law being applicable, if any. IRPFABBR.

- The amount of the contribution **that exceeds** the aforementioned limits (which are not considered income from work) subject to Inheritance and Donation Tax will be valued in accordance with the rules of said tax.

However, regardless of the value at which the asset is taxed under the Inheritance and Gift Tax, it should be noted that the acquisition value of the portion of the asset subject to said tax will be determined, for the purposes of IRPFABBR and of future transfers, in accordance with the provisions of Article 36 of the Law IRPFABBR. Therefore, for these purposes, the value determined according to the rules of the Inheritance and Gift Tax (ISD) will be limited to the market value.

Note: Keep in mind that, for the contributor of non-monetary contributions, for the purposes of the reduction that he can make in his tax base for the contribution to the protected assets, the amount of the contribution is taken as the result of what is provided for in the article 18 of Law 49/2002, of December 23, on the tax regime of non-profit entities and tax incentives for patronage (BOE of December 24). Art. 54.3 Law IRPFABBR.

Integration of work income into the tax base of the disabled person

The integration of employment income into the tax base of IRPFABBR for the taxpayer with a disability, holder of the protected assets, will only be carried out for the amount by which these returns exceed three times the public indicator of income for multiple purposes (IPREM), this amount which in the 2025 financial year amounts to 25,200 euros (8,400 euros x 3).

See in this regard the [exemption provided for in Article 7.w](#) of the Law of IRPFABBR for the income from work derived from the benefits obtained in the form of income by people with disabilities corresponding to the contributions to the social security systems discussed in Chapter 2.

Disposition of contributions by the owner of the protected assets

Regulations: Art. 54.5 Law IRPFABBR

The disposition in the tax period in which the contribution is made or in the following four of any asset or right contributed to the protected assets of the disabled person will determine the following tax obligations for its owner:

1. **If the contributor was a taxpayer of IRPFABBR** The owner of the protected assets who received the contribution must include in the taxable base the part of the contribution received that he failed to include in the tax period in which he received the contribution as a result of the integration rule discussed in the previous point.

To this end, the corresponding supplementary self-assessment must be submitted, including any applicable late payment interest, within the period between the date on which the provision is made and the end of the regulatory declaration period corresponding to the tax period in which said provision is made.

2. If the contributor was a taxpayer of Corporate Tax , two cases must be distinguished:

- In the event that the holder of the protected assets is the employee of the company making the contribution, it will be this employee, as the holder of the protected assets, who must include in his taxable income the portion of the contribution received that he failed to include in the tax period in which he received the contribution as a result of the application of the exemption provided for in Article 7.w) of the Law of IRPFABBR and submit the corresponding supplementary self-assessment in the terms indicated above.

For these purposes, the employee who is the owner of the protected assets must inform the employer who made the contributions of the provisions made during the tax period.

- In the event that the contribution was made to the protected assets of relatives, spouses or dependents of workers under guardianship or foster care, the obligation described in the previous case must be fulfilled by the worker of the contributing company, who is responsible for communicating to his or her employer the provisions made during the tax period.

In the disposition of homogeneous assets or rights, it will be understood that those contributed first were disposed of. The aforementioned regularization will not occur in the event of the death of the owner of the protected assets, the contributor or the employees of the company.

Note: Regarding the tax impact that the [early disposal](#) of the contributions made by the owner of the protected assets has for the **contributors** see Chapter 13.

Table: contributions to protected assets of persons with disabilities

Who could it be	Applicable tax treatment	Date of acquisition and valuation of assets and rights contributed
BENEFICIARY (Art. 2 of Law 41/2003, of November 18). Person holding the protected assets with: - Mental disability equal to or greater than 33%. - Physical or sensory disability equal to or greater than 65%.	IRPFABBR: Qualification: the contributions referred to in DA18 of the Law IRPFABBR are considered labor returns (RT) for the person holding the protected assets up to the following limits: a. Contributions from taxpayers of IRPFABBR: annual limit of 10,000 euros for each contributor (and with an annual limit of 24,250 euros in total). b. Contributions from IS taxpayers in favor of the protected assets of relatives, spouses or dependents of the contributor's employees: annual limit independent of the above of 10,000 euros provided that it was a deductible expense. Exemption: of the contributions within the aforementioned limits will be exempt the RT that do not exceed a maximum annual amount equal to up to 3 times the IPREM pursuant to article 7.w) Law IRPFABBR. ISD: The excess over the limits established by DA18 will be subject to ISD . ITPAJD : exempt by article 45.B).21 of TR of the ITPAJD Law with respect to AJD because the contributions must be in a public deed.	Non-monetary contributions: IRPFABBR : DA 18 Law IRPFABBR. For the part that does NOT exceed the annual limits established by the DA Law 18 IRPFABBR (10,000 euros per contributor or 24,250 euros in total) The person with a disability who is the holder of the protected assets will be subrogated to the position of the contributor with respect to the date and acquisition value of the assets and rights contributeds, without the provisions of Transitional Provision 9 of Law being applicable to it for the purposes of subsequent transfers IRPFABBR (reduction coefficients). ISD : Art. 9 Law ISD : For the part of the non-monetary contribution that exceeds the limits established by DA 18 subject to ISD the valuation will be made according to the applicable regulations of this tax. - In general, its market value, unless the value declared by the interested parties is higher. - For real estate, its reference value. unless the amount declared by the interested parties is higher. However, regardless of the value at which the asset is taxed in the ISDIt should be noted that the acquisition value of the part of the asset subject to said Tax will be determined, for the purposes of IRPFABBR and of future transfers, in accordance with the provisions of Article 36 of the Law of IRPFABBRTherefore, for these purposes, the value determined according to the rules of the ISD will be limited to the market value.

Who could it be	Applicable tax treatment	Date of acquisition and valuation of assets and rights contributed
CONTRIBUTOR WITH ERD TO REDUCTION Article 54.1 of the Law IRPFABBR: • Anyone who has a direct or collateral family relationship with the disabled person up to the third degree inclusive. • The spouse of the disabled person. • The person in charge of the disabled person under guardianship or foster care.	IRPFABBR: • Rating : Contributions made by persons other than the owner constitute transfers to the latter for profit (DA 3 Law 41/2003) but there will be no capital gain or loss [Art. 33.3.e) of the Law IRPFABBR]. • Reductions in the general taxable base for contributions to protected assets (Art. 54 of the Law IRPFABBR) • Annual limit per contributor of the reduction in their BI : 10,000 euros. Annual limit for the set of reductions: 24,250 euros for all reductions made by all persons who make contributions to the same protected assets. The excess over these annual limits s (10,000 euros per contributor or 24,250 euros in total) will entitle the taxpayer to reduce the BI of the following tax periods until the maximum reduction amounts are exhausted, where applicable, in each of them.	Non-monetary contributions for the purposes of reducing your BI for the contribution to the protected assets (A rt. 54.3 of the Law IRPFABBR): The amount of the contribution is taken as that resulting from the provisions of article 18 of Law 49/2002, of December 23, on the tax regime of non-profit entities and tax incentives for patronage: • The book value of the asset or right at the time of the transfer and, failing that, • The value determined according to the rules of IP . In the specific case of Real estate in IP will be the greater of: cadastral value, the value determined (reference value) or verified by the Administration for the purposes of other taxes and the price, consideration or acquisition value.

I) Returns obtained from the management of funds linked to entrepreneurship, innovation and the development of economic activity

Regulations: Fifty-third Additional Provision of the Law IRPFABBR

- From 1 January 2023, income from work is classified as income obtained by the directors, managers or employees of the entities listed below or their managing entities or entities in their group, **when they derive directly or indirectly from participations, shares or other rights, including success commissions, which grant special economic rights in any of said entities.**

This classification is maintained even when the aforementioned income is collected at a time when the administrators, managers, or employees have ceased to perform the activity or functions referred to for any reason, such as retirement, dismissal, or termination for any reason, disability, or incapacity. And the mere fact that the receipt of such income occurs at a later time, when such activities or functions have ceased to be exercised, would not prevent the application of the aforementioned regime, provided that the special economic rights had been granted to the administrators, managers or employees due to their status as such and at the time when said persons were effectively exercising their activity or their functions as administrators, managers or employees, and all the requirements provided for in said Additional Provision are met.

- The entities referred to in the previous section are the following:
 1. **Closed-ended Alternative Investment Funds** defined in Directive 2011/61/ EU of the European Parliament and of the Council of June 8, 2011, relating to managers of alternative investment funds and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No. 1060/2009 and (EU) No. 1095/2010 included in one of the following categories:
 - Entities defined in article 3 of Law 22/2014, of November 12, regulating venture capital entities, other closed-end collective investment entities and management companies of closed-end collective investment entities, and amending Law 35/2003, of November 4, on Collective Investment Institutions.
 - European venture capital funds regulated by Regulation (EU) No 345/2013 of the European Parliament and of the Council of 17 April 2013 on European venture capital funds .
 - European social entrepreneurship funds regulated by Regulation (EU) No 346/2013 of the European Parliament and of the Council of 17 April 2013 on European social entrepreneurship funds, and
 - European long-term investment funds regulated by Regulation (EU) 2015/760 of the European Parliament and of the Council of 29 April 2015 on European long-term investment funds .

2. Other investment bodies similar to the above .

- The income from work **will be integrated into the tax base at 50% of its amount** , without any exemption or reduction being applicable, when the following **requirements are met** :
 1. The special economic rights of said shares, stocks or rights are conditional on **that the remaining investors** in the entity referred to in the previous section **obtain a minimum profitability** defined in the regulations or statutes of the same.
 2. The shares, stocks or rights **are held for a minimum period of five years** , **unless**:
 - its transmission occurs mortis causa
 - are settled early or
 - become ineffective
 - are lost in whole or in part as a result of the change of managing entity ,

In these cases, the shares, stocks or rights **must have been held uninterruptedly** until such circumstances occur.

Precision: Partial collections prior to the expiration of the five-year period

If before years have elapsed partial collections are made that derive from these special economic rights (for example, from the success commission), the taxpayer may integrate these into the tax base to the extent of 50% of their amount as employment income. However, the shares, stocks or other rights must subsequently be held for the time necessary to complete the minimum period of five years and to meet the rest of the required requirements and conditions.

If the taxpayer receives one of these payments and it is integrated as employment income in his tax base at 50% of its amount, and subsequently the right to apply this tax regime occurs due to not having completed the minimum period of five years of holding the shares, stock or other rights, without any of the circumstances that exempt compliance with the minimum period occurring (so that their transfer mortis causa occurs, or they are liquidated early or become void or are lost totally or partially as a result of the change of managing entity), the provisions of the second paragraph of article 122.2 of the LGT will apply, that is, the taxpayer must include in the self-assessment corresponding to the tax period in which the non-compliance occurred the quota or amount derived from the exemption applied improperly in the previous tax periods together with the late payment interest.

See this exemption in the section " [Income from work derived directly or indirectly from participations, shares or other rights, which grant special economic rights](#) " in Chapter 2.

Exception: This tax treatment will not apply when the special economic rights come directly or indirectly from an entity resident in a country or territory classified as a non-cooperative jurisdiction or with which there are no regulations on mutual assistance in the exchange of tax information in the terms provided for in the LGT , which is applicable.

Estimated performance of work and related operations

Estimated work performance

Regulations: Articles 6.5 and 40 Law IRPFABBR

The provision of services likely to generate employment income is presumed to be remunerated, unless proven otherwise.

In the absence of proof to the contrary, the valuation of said returns will be carried out at their normal market value, with normal market value being understood as the consideration that would be agreed between independent subjects, unless there is proof to the contrary. However, the valuation of certain estimated remuneration paid in kind will be carried out by applying the special valuation rules discussed in the next section ([Income from work in kind](#)).

Income from work in related-party transactions**Regulations: Article 41 of the Law IRPFABBR**

In cases where the provision of personal work is carried out for a company with which there are related relationships, in the terms provided for in article 18 of the LIS , operations between related persons or entities will be valued at their market value. Market value shall be understood as that which would have been agreed upon by independent persons or entities under conditions of free competition.

Regarding the LIS see Law 27/2014, of November 27, on Corporate Tax.

According to article 18 of the LIS the linking relationships occur in the operations carried out between:

- An entity and its partners or participants,
- An entity and its legal and de facto directors or administrators,
- An entity and the spouses or persons related by direct or collateral family ties, by consanguinity or affinity up to the third degree of the partners or participants, directors or administrators,
- An entity and the directors or managers of another entity, when both entities belong to a group.

When the link is defined based on the partner-company relationship, the partner's participation must be equal to or greater than 25 percent.

In the case of remuneration for the performance of their duties as directors or administrators of entities, the rules of related-party relationships do not apply, because this is expressly established in Article 18.2 of the LIS. Therefore, these payments are excluded from the scope of related-party transactions regulated in Article 41 of the Law IRPFABBR.

The Tax Administration may verify that transactions carried out between related parties have been valued at their normal market value and will, where appropriate, make the necessary valuation adjustments with respect to transactions subject to Corporation Tax. IRPFABBR or to the Non-Resident Income Tax that have not been valued at their normal market value. For this purpose, the taxpayer of IRPFABBR must comply with the documentation obligations for

related-party transactions under the terms and conditions established in Chapter V (Articles 13 to 16) of the Corporate Income Tax Regulations, approved by Royal Decree 634/2015, of July 10 (BOE July 11).

Earned incomes in kind

Subject

Regulations: Art. 42.1 Law IRPFABBR

Income from work in kind is the use, consumption or obtaining, for personal purposes, of goods, rights or services free of charge or at a price below the normal market price, even when they do not entail a real expense for the person granting them, provided that they derive, directly or indirectly, from personal work or from an employment or statutory relationship.

Simple payment mediation

Benefits in kind must be distinguished from other cases in which there is a simple mediation of payment by the company for expenses incurred by the employee. That is, cases in which the company simply pays an amount on behalf of and at the request of the employee. In these cases, the compensation required by the employee from the company does not consist of the use, consumption or obtaining of goods, rights or services, but rather it is a compensation that the company has the obligation to pay in monetary form, although by virtue of the mandate carried out by the employee, the payment is made to a third party designated by the latter. That is to say, the worker allocates part of his or her monetary remuneration to the acquisition of certain goods, rights or services, but payment for these is made directly by the employer. In these cases, it will be an application of monetary income from work.

However, it should be noted that not every instance in which an employer pays or distributes funds to third parties in exchange for the provision of a good, right, or service to an employee constitutes monetary compensation, as this would involve payment intermediation. Sometimes, in-kind compensation is implemented through a direct payment from the employer to the third party in fulfillment of commitments made to employees, whether in the collective bargaining agreement or the employment contract itself. In such cases, the amounts paid by the company to the suppliers would not be considered payment intermediation, as previously described, but rather in-kind compensation agreed upon in the employment contract. Therefore, all the provisions regarding in-kind compensation contained in Article 42 of the Law would apply. IRPFABBR.

Flexible Compensation Plans

The implementation by a company of a "flexible compensation plan" or "flexible remuneration plan", under which the entity and its employees agree, either by virtue of a collective agreement or by modifying or novating the existing employment contract, to a change in the composition of the remuneration system, such that monetary remuneration is replaced by remuneration in kind or remuneration in kind is replaced by other different ones. In these cases, we would not be dealing with a case of payment mediation, but rather with remuneration in kind agreed upon in the employment contract or by collective agreement.

Workers subject to this type of plan can, according to their needs and preferences, choose a series of products from a previously established list that may include rights or products as different as: medical insurance, childcare, meal vouchers, transportation, access to sports clubs, special discounts for the enjoyment of products and services (airline tickets, hotels, health services, etc.), training benefits, vehicles, transfer of use of housing, mobile phones, tablets or other computer media, stock options, etc.

In this case, the taxation of the products or services offered by the company to its employees under a Flexible Compensation Plan will be governed by the provisions of Articles 42 and 43 of the Law on IRPFABBR. The maximum limit for remuneration in kind may not exceed 30% of the employee's annual total remuneration

(article 26.1 of the consolidated text of the Workers' Statute Law, approved by Royal Legislative Decree 2/2015, of 23 October).

However, in order for them to be considered as remuneration in kind and not simply represent a mediation of payments made by the company in respect of expenses incurred by the employee, it is necessary that the remuneration in kind be thus agreed with the workers, either in the collective agreement or in the employment contract, that is, that the company be obliged (based on the agreement or contract) to provide them with the good, right or service.

Note: When the payer of the work performance gives the taxpayer amounts in cash so that the latter can acquire the goods, rights or services, the performance will be considered monetary, so the special rules on remuneration in kind discussed in this section are not applicable to it.

Assumptions that do not constitute income from work in kind

Regulations: Art. 42.2 Law IRPFABBR

The following are not considered to be income in kind:

- **Study expenses for the updating, training or retraining of employed personnel**

Regulations: Art. 44 Regulations IRPFABBR

This concept includes studies arranged by institutions, companies or employers and financed directly or indirectly by them, even if their actual provision is carried out by other persons or specialized entities, provided that the following requirements are also met:

- They are aimed at updating, training or retraining their staff.
- The studies are required by the development of the staff's activities or the characteristics of the jobs.

In these cases, the travel, food and lodging expenses that are exempt from tax will be governed by the general rules discussed in the following section ([diets and travel expense allowances](#)).

Since January 1, 2017, studies are deemed to have been arranged and financed **indirectly** by the employer when they are financed by other companies or entities that market products for which adequate training is required for the employee, provided that the employer authorizes such participation.

- **Expenses for premiums or fees for work accident insurance or worker's civil liability**

Premiums or contributions paid by the company under an insurance contract, which covers solely and exclusively the risk of occupational accidents or civil liability incurred by employees in the performance of their work duties, are not considered to be remuneration in kind.

Clarifications:

Any insurance policy taken out by the company on behalf of its employees that covers risks or contingencies outside of work activity and that also covers not only the employee but also, where applicable, the spouse and children, constitutes remuneration in kind.

The insurance is required to cover only and exclusively the risk of occupational accidents or civil liability incurred by its workers in the performance of their work activities. The contract must cover the worker, understanding said term or expression - "worker" - as a person who provides paid services on behalf of another person and within the scope of organization and management of another person, physical or legal, called employer or businessman."

Likewise, for the purposes of insurance coverage taken out to cover contingencies of disability or death arising from work accidents, it is necessary to point out that occupational disease is considered an occupational accident or a variety thereof, and as long as there is no express exclusion in the conventional legal relationship, the concept of occupational accident includes occupational disease, the only variation being that occupational disease is based on a legal presumption arising from a double list of activities and diseases (Judgments of TS of 11-25-92; 19-7-91; 25-9-91).

- **Loans arranged prior to January 1, 1992**

Regulations: Second Additional Provision of the Law IRPFABBR

Loans with an interest rate lower than the legal rate of money agreed upon before 1 January 1992 are not considered remuneration in kind, provided that the principal was made available to the borrower prior to that date.

Exempt work income in kind

Regulations: Art. 42.3 Law IRPFABBR

They are exempt from IRPFABBR the following in-kind employment benefits:

a) Deliveries to employees of products at discounted prices that are made in company canteens, canteens or social commissaries**Regulations: Articles 42.3.a) Law IRPFABBR and 45 Regulation IRPFABBR**

They are exempt from IRPFABBR The delivery to employees of products at reduced prices made in company canteens, including indirect forms of providing this service permitted by labor legislation (such as, for example, the delivery of meal vouchers or similar documents, cards or any other electronic means of payment), provided that the requirements detailed below are met.

General requirements:

1. That the provision of the service takes place during business days for the employee or worker.
2. That the provision of the service does not take place during the days in which the employee or worker earns amounts exempt from tax in the form of subsistence allowances, due to travel to a municipality other than the usual place of work.

Additional requirements for indirect formulas (meal vouchers or similar documents, cards or other electronic means of payment)

In addition to the above requirements, meal vouchers or similar documents, cards or any other electronic means of payment must meet the following requirements:

1. That its amount does not exceed the sum of 11 euros per day. If the daily amount is higher, there will be compensation in kind for the excess.
2. They must be numbered, issued in a nominative manner and must include the issuing company and, when delivered in paper format, their nominal amount.
3. That they are non-transferable and that the amount not consumed on one day cannot be carried over to another day.
4. That the refund of the amount cannot be obtained, either from the company or from a third party.
5. They may only be used in hospitality establishments, regardless of whether the service is provided on the premises of the hospitality establishment or outside of it, after being collected by the employee or delivered to their workplace or to the place chosen by the employee to carry out their work on days when this work is carried out remotely or through teleworking.
6. That the company that delivers them, keeps and maintains a record of those delivered to each of its employees or workers, stating:
 - In the case of meal vouchers or similar documents, document number, delivery date and nominal amount.
 - In the case of cards or any other electronic means of payment, document number and the amount delivered each day with an indication of the latter.

b) Use of assets intended for the social and cultural services of the employed personnel

This category includes, among others, spaces and premises, duly approved by the competent Public Administration, intended by companies or employers to provide the first cycle of early childhood education service to the children of their employees, as well as the direct or **contracting of this service with duly authorized third** .

Please note that, effective from 1 January 2018, the maternity deduction under Article 81 of the Law is increased. IRPFABBR up to an additional 1,000 euros, when the taxpayer entitled to it has paid expenses for the custody of the child under three years of age in authorized nurseries or early childhood education centers during the tax period. However, the amounts paid for this concept do not include those that would be considered exempt in-kind employment income pursuant to the provisions of letters b) and d) of article 42.3 of the Law on IRPFABBR.

c) Expenses for health insurance

Regulations: Art. 46 Regulations IRPFABBR

The benefits in kind corresponding to the premiums or contributions paid by the company to insurance companies for health coverage are exempt, provided that the following requirements and limits are met:

1. That the sickness coverage extends to the worker himself, and may also extend to his spouse and descendants.

For these purposes, no limit is established based on the age of the descendants, which will include the children, grandchildren or great-grandchildren of the worker.

2. That the premiums or fees paid do not exceed **500 euros per year** for each of the persons indicated or **1,500 euros** for each of them when they are persons with disabilities.

Any excess over the aforementioned amounts will constitute remuneration in kind for the work.

d) Provision of certain educational services to the children of employees of authorized educational centers

The provision of preschool, infant, primary, compulsory secondary, high school and vocational training services by authorized educational centers to the children of their employees is exempt, free of charge or at a price lower than the normal market price.

Please note that, effective from 1 January 2018, the maternity deduction under Article 81 of the Law is increased. IRPFABBR up to an additional 1,000 euros, when the taxpayer entitled to it has paid expenses for the custody of the child under three years of age in authorized nurseries or early childhood education centers during the tax period. However, the amounts paid for this concept do not include those that would be considered exempt in-kind employment income pursuant to the provisions of letters b) and d) of article 42.3 of the Law on IRPFABBR.

e) Amounts paid by the company for the collective transportation of its employees between their place of residence and the workplace

Regulations: Article 46 bis of the Regulations IRPFABBR

Amounts paid to entities responsible for providing the public collective passenger transport service to facilitate the travel of employees **between their place of residence and the workplace** are exempt, with a limit of **1,500 euros per year** for each worker.

The delivery by the company to employees of the "transport pass" (a personal and non-transferable transport ticket that allows an unlimited number of journeys within its spatial validity area -transport zones- and temporal validity area -annual or monthly- on the collective public transport services arranged by the corresponding Transport Consortium), provided that the spatial validity area of the same takes into account the locations corresponding to the employee's residence and workplace and with the limit of 1,500 euros per year established by article 46 bis of the Regulation of the IRPFABBR, will be covered by this exemption. On the contrary, when the company gives the worker cash amounts so that he or she can acquire (or reimburse him or her for the expense incurred in the purchase) the transport tickets, it is considered monetary compensation, fully subject to tax and its withholding system.

Indirect formulas

They will also be considered **indirect formulas** of payment of amounts to the entities responsible for providing the aforementioned public service, the delivery to the workers of **cards or any other electronic means of payment that meets the following requirements** (Art. 46 bis Regulations IRPFABBR):

1. That they may be used exclusively as consideration for the acquisition of transport tickets that allow the use of the public collective passenger transport service.
2. The monthly amount that can be paid with these cannot exceed 136.36 euros per month per worker, with a limit of 1,500 euros per year.
3. They must be numbered, issued in a nominative manner and include the issuing company.
4. That they are non-transferable.
5. That the refund of the amount cannot be obtained, either from the company or from a third party.
6. The company that issues cards or electronic means of payment must keep and maintain a record of those issued to each of its employees, stating the document number and the annual amount made available to the employee.

In the event of delivery of cards or electronic means of payment that do not meet the requirements indicated above, there will be compensation in kind for the total amounts made available to the worker. However, in the event of non-compliance with the limit indicated in number 2 above, there will only be compensation in kind for the excess.

f) Delivery to workers of shares or participations of the company itself or of other group of companies

In general

Regulations: Art. 43 Regulations IRPFABBR

- It is exempt from IRPFABBR the delivery to active workers, free of charge or at a price lower than the normal market price, of shares or stock holdings **from the company itself or from other companies in the group**, in the part that does not exceed, for the total amount given to each worker, 12,000 euros per year, provided that the offer is made under the same conditions for all workers of the company, group or subgroups of company.
- In the event that the company in which the worker **provides his/her services is part of a group of companies** in which the circumstances provided for in article 42 of the Commercial Code occur, **the beneficiaries may be the workers of the companies that form part of the same group with the following conditions** :
 1. When shares or interests in a group company are delivered, the beneficiaries may be the employees of companies that form part of the same subgroup.

2. When shares or interests in the parent company of the group are delivered, the beneficiaries may be the employees of any company in the group.

- In both cases, delivery may be made either by the company in which the employee provides services, or by another company belonging to the group or by the public entity, state company or Public Administration that owns the shares.
- In order for the delivery of the aforementioned shares or participations to be exempt in kind following requirements must also be met:
 - That the offer is made under the same **conditions** for all employees of the company and **contributes to their participation in the company** . In the case of groups or subgroups of companies, the aforementioned requirement must be met in the company to which the employee to whom the shares are delivered provides services.

However, this requirement will not be considered breached when, in order to receive the shares or holdings, workers are required to have a minimum seniority, which must be the same for all of them, or when they are taxpayers for the IRPFABBR.

- That each of the workers, together with their spouses or relatives up to the second degree, **do not have a participation** , direct or indirect, in the company in which they provide their services or in any other company in the group, greater than 5%.
- That the **remain valid for at least three years**

Regarding the holding period for the securities (3 years), please note that it must be counted from the delivery of the shares or participations. Furthermore, that the time limits set in years are calculated from date to date, in accordance with articles 5.1 of the Civil Code and 30.4 of the Law of Common Administrative Procedure of Public Administrations.

Failure to comply with this deadline will result in the worker being required to submit a supplementary self-assessment, with the corresponding late payment interest, within the period between the date on which the requirement is not met and the end of the regulatory declaration period corresponding to the tax period in which the failure occurs.

Assessment:

The acquisition value of the shares delivered to the employee that were exempt performance in kind, for the purposes of calculating the capital gain obtained from their subsequent sale, will be the same as if said delivery had been taxed as performance in kind, being in both cases the normal market value of said shares at the time of their delivery which, in the case of shares of a listed company, is their market value.

Specialty: Delivery of shares or interests to employees of emerging companies

The delivery of shares or interests granted to employees of a start-up company referred to in Law 28/2022, of December 21, on the promotion of the start-up ecosystem, has the following special features.

- The exemption, for the set of shares delivered to each worker, **will be 50,000 euros per year**.

- The offer will not need to be made under the same conditions for all employees, but it must be made within the company's general remuneration policy and contribute to the participation of employees in the latter.
- In the event that the delivery of shares or equity interests derives from the exercise of **purchase options on shares or equity interests previously granted to employees by the start-up company**, the requirements for consideration as a start-up company must be met at the time the option is granted.

Assessment:

See the special rules for the valuation of these shares and participations in section “[Calculation of income from work in kind](#)” of this chapter.

Temporary imputation of non-exempt amount

A special imputation rule is established for income from work in kind derived from the delivery of shares or interests in a start-up company that, meeting the required requirements, are not exempt because they exceed 50,000 euros per year for the total amount delivered to each worker.

See within the section “[temporary imputation of employment income](#)” the specific imputation rule for this case and the [summary table of the tax treatment of the delivery of shares for free or at a price below the normal market price by the company to its employees](#).

Startups

According to Law 28/2022, of December 21, on the promotion of the ecosystem of emerging companies, “*emerging company*” means any legal entity, including technology-based companies created under Law 14/2011, of June 1, on Science, Technology and Innovation, which simultaneously meets the following conditions:

1. **Be newly created or, not being newly created when the following circumstances occur** ,
 - As a general rule, when no more than five years have elapsed since the date of registration in the Commercial Registry, or competent Registry of Cooperatives, of the public deed of incorporation, or
 - In the case of companies in biotechnology, energy, industrial and other strategic sectors or those that have developed their own technology, designed entirely in Spain, which will be determined through the order referred to in article 4.1 of Law 28/2022, when no more than seven years have elapsed.
2. **Not having arisen from a merger, spin-off or transformation operation** of companies that are not considered emerging companies. The terms concentration or segregation are considered to be included in the previous operations.
3. **Not distributing or having distributed dividends** , or returns in the case of cooperatives.
4. **Do not trade** on a regulated market.
5. **Have its registered office, registered office or permanent establishment in Spain** .
6. **Have at 60 per 100 of the workforce with an employment contract in Spain** . In cooperatives, worker members and working members whose relationship is of a corporate nature will be counted within the workforce for the sole purposes of the aforementioned percentage.

7. Develop an innovative entrepreneurship project that has a scalable business model, as provided for in article 4 of Law 28/2022.

When the company belongs to a group of companies defined in article 42 of the Commercial Code, the group or **each of the companies that comprise it must comply with the above requirements** .

Entrepreneurs who wish to benefit from the special features of this law must obtain the "certification of innovative and scalable entrepreneurship of the business model" referred to in article 4 of the Law and be registered as such in the Commercial Registry or in the competent Registry of Cooperatives.

Computation of labor income in kind

General rule of valuation and entry on account

General rule of valuation

Regulations: Art. 43.1 Law IRPFABBR

As a general rule, remuneration in kind must be valued at its normal market value. However, in the valuation of certain remuneration in kind special valuation rules discussed below must be applied.

Deposit into account

Regulations: Articles 43.2 Law IRPFABBR and 102 Regulation IRPFABBR

The amount of the valuation of the remuneration in kind for work will be added to the payment on account that must be made by the payer of said remuneration, regardless of whether said payment on account has actually been made. The amount of the payment on account will be the result of applying the corresponding withholding percentage to the valuation of the remuneration in kind.

Notwithstanding the foregoing, the income on account will not be added in the following cases:

- a. When there is no obligation to make payments on account of remuneration in kind for work, as is the case of contributions paid by the promoters of pension plans, company social welfare plans and social welfare mutual funds that reduce the tax base.
- b. When the income on account has been passed on to the worker.

In short, in the case of remuneration in kind, the total performance of the work is obtained by adding the valuation of the remuneration in kind plus the amount of the payment on account not passed on to the worker. So that:

$$\text{Total performance} = \text{Valuation} + \text{Unreturned income}$$

Special valuation rules

Regulations: Art. 43.1.1 Law IRPFABBR

1. Use of housing

The rule for assessing remuneration in kind derived from the use of housing is determined based on whether or not the housing is owned by the payer:

a. If the property used is owned by the payer

The following cases must be distinguished:

- In general, the valuation will be carried out for the amount resulting from applying the percentage of **10 per 100** on the cadastral value of the home
- In the case of properties located in municipalities in which the cadastral values have been revised or modified, or determined through a general collective valuation procedure, and have come into force in the tax period or within the period of the ten previous tax periods, the percentage applicable to the cadastral value will be **5 per 100** .
- In the event that on the accrual date of IRPFABBR If the properties lack a cadastral value or this value has not been notified to the owner, the percentage will be **5 percent** and will be applied to the **50 per 100** of the largest of the following values: the one verified by the Administration for the purposes of other taxes or the price, consideration or value of the acquisition.

Limit: The resulting valuation of the remuneration in kind corresponding to the use of housing owned by the payer, **may not exceed 10% of the remaining compensation for work** .

Precision:

Electricity and gas consumption, insofar as it can be determined individually with respect to the dwelling, is not included in the assessment of the performance of work in kind consisting of the use of the dwelling owned by the payer, so the costs of these consumptions (insofar as they are assumed by the payer) constitute additional work performance for the employee.

b. If the dwelling used is not owned by the payer

In this case, the remuneration in kind is determined by the **cost to the payer** of the dwelling, including any taxes levied on the transaction, without this valuation being able to be lower than that which would have corresponded if the previous rule provided for dwellings owned by the payer had been applied (10 or 5% of the cadastral value of the dwelling with a limit of 10% of the remaining work compensation).

Use of housing by the employee

Housing situation	Rules of assessment			
	Casuistry	Calculation basis	Percentage to apply	Limit
If it is owned by the company	VC not reviewed in the tax period or the previous 10 tax periods	VC	10%	The tax assessment may not exceed 10% of the remaining work compensation.
	VC reviewed in the tax period or the previous 10 tax periods	VC	5%	
	Lacks VC or has not been reported	50% of the highest value between: • Cost price • Value verified by the Administration	5%	
If it is leased by the company	The eldest of: • Cost to the payer + inherent taxes • Value resulting from applying the rules for owned housing (see previous rule)			

Note to table :

Abbreviations used: VC, cadastral value.

In any case, the unreperformed income on account must be added to the corresponding tax assessment in order to determine the total income from work.

Example 1: housing owned by the payer

In the 2025 fiscal year, Mr. APG, single, received a total salary of 45,000 euros, residing in a new house, owned by the company, whose cadastral value, which was reviewed in 2015, amounts to 80,000 euros.

How should this remuneration be valued, if the income on account made by the company in the 2025 financial year for said remuneration in kind, which has not been passed on to the worker, has amounted to 928 euros?

Solution:

Full salary = 45,000

Compensation in kind : (Result of adding to the tax assessment of the remuneration in kind for the use of housing the payments on account made by the company): 4.928

- Tax assessment for housing use $(5\% \times 80,000) = 4,000$
- Maximum tax valuation limit $(10\% \times 45,000) = 4,500$
- Prevailing tax valuation = 4,000
- Income on account = 928

Note: Since the income on account has not been passed on to the worker, it must be added to the tax assessment in order to determine the total income from work .

- Full amount $(4,000 + 928) = 4,928$

Total Gross Income from Work: $45,000 + 4,928 = 49,928$

Example 2: housing not owned by the payer

Mr. RJ receives a full annual salary of 33,000 euros. In addition, he receives compensation in kind corresponding to the use of a home rented by his company where he works and for which he pays a rent of 600 euros per month.

The rented property has a cadastral value of 120,000 euros, which was revised in 2016.

How should this remuneration be valued, if the income on account made by the company in the 2025 financial year for said remuneration in kind, which has not been passed on to the worker, has amounted to 1,385 euros?

Solution:

Full salary = 33,000

Compensation in kind : (result of adding to the tax valuation of the remuneration in kind for the use of housing the payments on account made by the company) = 8,585

- Cost to the payer $(600 \times 12) = 7,200$
- Tax valuation in case of company-owned housing $(5\% \times 120,000)$, with a maximum tax valuation limit $(10\% \times 33,000 = 3,300) = 3,300$
- Prevailing tax valuation = 7,200

Note: The cost to the payer prevails, as this valuation is higher than what would have been due if the valuation rule for the use of homes owned by the payer had been applied.

- Income on account = 1,385

Note: Since the withheld income has not been passed on to the worker, it must be added to the tax assessment in order to determine the full employment income.

- Full amount $(7,200 + 1,385) = 8,585$

Total Gross Income from Work: $33,000 + 8,585 = 41,585$

2. Delivery or use of motor vehicles

• In the event of delivery of the vehicle

In this case, the remuneration will be valued at the cost of acquisition of the vehicle for the employer, including the expenses and taxes that tax the operation, such as: He IVAABBR, the Registration Tax (IEDMT), tariffs, etc. Therefore, the entirety of IVAABBR satisfied, regardless of whether or not it is deductible for the payer.

• In the event of use of the vehicle

In the case of use, it is necessary to distinguish:

- a. *Vehicle owned by payer* : The value will be **20 percent** of the annual acquisition cost of the vehicle for the employer, including the expenses and taxes that tax the operation.
- b. *Vehicle not owned by the payer* : The value will be **20 percent** annually on the market value, including expenses and taxes inherent to the acquisition, which would correspond to the vehicle if it were new.

Accuracy in case of use or delivery of motor vehicles

The valuation criteria outlined above will include all expenses incurred by the company to ensure the vehicle is ready for use by the employee, such as insurance, municipal taxes, or maintenance costs. Therefore, these items do not constitute additional or independent compensation in kind for the employee. The same does not apply to expenses arising from fuel consumption, which would constitute separate and independent remuneration in kind if they were paid by the company.

- c. *Vehicle belonging to companies whose usual activity is the transfer of use of motor vehicles*: the valuation may not be less than the [price offered to the public](#) of the service in question.

Reductions applicable to the valuation of energy-efficient motor vehicles

Regulations: Article 48 bis of the Regulations IRPFABBR

In the cases a, b and c above of transfer of use of vehicle, the resulting valuation may be reduced by up to it comes to vehicles considered energy efficient, under the terms and conditions indicated below:

In the case of vehicles considered to be energy efficient because they comply with the Euro 6 emission limits set out in Annex I to Regulation (EC) No 715/2007 of the European Parliament and of the Council of 20 June 2007 on type-approval of motor vehicles with respect to emissions from light passenger and commercial vehicles (Euro 5 and Euro 6) and on access to vehicle repair and maintenance information, the valuation of the income in kind for the use **may be reduced by the following percentages** :

- 15% reduction of the resulting amount, when the vehicle meets the following conditions:
 1. Its official CO emissions² do not exceed 120 g/km and
 2. The market value of the vehicle if it were new, before taxes, is not greater than 25,000 euros.
- 20% reduction of the resulting amount, when the vehicle meets the following conditions:
 1. Its official CO emissions² do not exceed 120 g/km.
 2. Whether they are hybrid vehicles or those powered by internal combustion engines that can use alternative fossil fuels (autogas –LPG– and Natural Gas) and
 3. The market value of the vehicle if it were new, before taxes, is not greater than 35,000 euros.
- 30% reduction of the resulting amount, when it concerns any of the following categories of vehicles:
 1. Battery electric vehicle (BEV).
 2. Extended-range electric vehicle (E-REV).
 3. Plug-in hybrid vehicle (PHEV) with a minimum range of 15 kilometres, provided that, in this case, the market value that would correspond to the vehicle if it were new, before taxes, is not greater than 40,000 euros.

• In the case of mixed use of the vehicle (company purposes and personal purposes of the employee)

In the case of mixed use of the vehicle, for company purposes and for the employee's personal purposes, the taxpayer will only be charged with remuneration in kind to the extent that the latter has the power to use the vehicle for personal purposes, regardless of whether or not it is actually used for such purposes. Ultimately, in these cases, the determining parameter for the assessment of remuneration in kind must be the availability of the vehicle for private purposes.

• In the event of use and subsequent delivery

In this case, the valuation of the latter (the delivery) will be carried out taking into account the valuation resulting from the previous use. For these purposes, the assessment of use must be estimated at 20% annually, regardless of whether the car has been fully or partially available for personal purposes.

Motor vehicles

Conditions		Rules of assessment
Delivery of property to the employee		Acquisition cost + inherent expenses and taxes
Use by the employee	Company owned vehicle	20% per year x (acquisition cost + inherent expenses and taxes)
	Vehicle NOT owned by the company	20% per year x market value (new vehicle)
Use and subsequent delivery to the employee	During the period of use	Rule for use case: - Company owned vehicle: 20% per year x (acquisition cost + inherent expenses and taxes) - Vehicle NOT owned by the company: 20% per year x market value (new vehicle)
	Post delivery	Market value (time of delivery) – valuation of use (*)

(*) The utilization rate should be estimated at 20% annually, regardless of availability for particular uses. [\(return\)](#)

Clarifications :

- In any case, the unreperformed income on account must be added to the corresponding tax assessment in order to determine the total income from work.
- As a general rule, the taxpayer will only be charged with remuneration in kind **to the extent that he has the power to use the vehicle for private purposes** , whether or not it is actually used for such purposes.

Example 1: mixed use of the vehicle

Mr. APL He has a car loaned to him by his company which he uses for work and personal purposes. Taking into account the nature and characteristics of the functions performed by the employee in his company, the percentage of use of the vehicle for company work purposes is estimated at 30%. The company cost the vehicle 30,000 euros. The car is a hybrid (non-electric) vehicle that complies with the Euro 5 and Euro 6 emission limits provided for in Regulation (EC) No 715/2007.

Determine the amount of the remuneration in kind corresponding to the use of the car in the 2025 financial year if the payments on account made by the company in that year for this remuneration in kind, which have not been passed on to the worker, have amounted to 1,300 euros.

Solution:

Use of the car for work purposes (30 percent): It does not constitute remuneration in kind.

Availability of the car for private purposes: It constitutes compensation in kind, regardless of whether or not it is actually used for private purposes (100 percent) – (30 percent) = 70 percent.

Value of remuneration in kind:

- Total annual valuation before reduction: $(20\% \text{ s/}30,000) = 6,000.00$
- Reduction for energy-efficient motor vehicles $(20\% \text{ s/}6,000) = 1,200$
- Total annual valuation $(6,000 - 1,200) = 4,800$

Availability for particular purposes: $(4,800 \times 70\%) = 3,360$

Non-refundable income on account = 1,300

Total compensation in kind $(3,360 + 1,300) = 4,660$

Example 2: use and subsequent delivery

Mr. AAP It is available for your private use from January 1st. 2022a vehicle owned by the company, which acquired it on that date for an amount of 23,000 euros. On January 1, 2025, the company will provide the vehicle to the employee free of charge.

Determine the amount of the remuneration in kind derived from the delivery of the motor vehicle in the financial year 2025, assuming that the payment on account made by the company in relation to said remuneration in kind, which has not been passed on to the worker, amounts to 4,300 euros.

Solution:

- Vehicle Delivery Rating : $(23,000 - 13,800) \text{ (1)} = 9,200$
- Unreperformed income on account = 4,300

Total remuneration in kind: $(9,200 + 4,300) = 13,500$

Note to example: The valuation of the delivery on 01-01-2025 must be done by deducting the valuation of the use corresponding to the 2022 and 2023 fiscal years. and 2024. This valuation is estimated at 20% of the annual purchase price of the car $(23,000 \times 60\%) = 13,800$ euros.

3. Other special rules**a. Loans with interest rates lower than the legal rate of money, arranged after January 1, 1992**

The valuation will be made based on the difference between the amount of interest actually paid and the amount that would result from applying the legal interest rate in force for each financial year. By 2025, the legal interest rate has been set at 3.25 percent.

See Additional Provision Forty-Second of Law 31/2022, of December 23, on the General State Budget for the year 2023 (BOE of December 24), whose budgets are understood to be extended for 2024 and 2025.

However, loans with an interest rate lower than the legal rate of money agreed before 1 January 1992 and the principal amount of which was made available to the borrower also before that date are not considered remuneration in kind. See in this regard the Second Additional Provision of the Law of IRPFABBR.

b. Other benefits in kind that are valued at the cost to the employer, including taxes levied on the operation

- Benefits in the form of **maintenance, lodging, travel and similar** .
- Premiums or fees paid under **insurance contract or similar**.
- Amounts intended to cover **study and maintenance expenses of the taxpayer or other persons related to him** by kinship ties, including those related by marriage, up to the fourth degree inclusive.

c. Contributions paid by pension plan promoters, contributions paid by promoter companies regulated in Directive (EU) 2016/2341 of the European Parliament and of the Council of December 14, 2016, amounts paid by employers to meet pension commitments and amounts satisfied by employers to dependency insurance

The valuation will coincide with the amount of the contributions or amounts paid that have been attributed to the recipient.

Accuracy : Please note that, with effect from 13 January 2019, Directive (EU) 2016/2341 of the European Parliament and of the Council of 14 December 2016 repealed Directive 2003/41/EC referred to in Article 43.1.1.e) of the Law on IRPFABBR.

d. Special rights of economic content reserved by the founders or promoters of a company as remuneration for personal services

Regulations: Articles 47 Regulation IRPFABBR

When the rights consist of a percentage of the entity's profits, they will be valued at a minimum of 35% of the equivalent value of the share capital that allows the same participation in the profits as that granted to the aforementioned rights. However, subsequent returns for the holding of these rights will constitute income from movable capital.

The combined value of these special rights may not exceed 10% of the net profits obtained according to the balance sheet, after deducting the amount allocated to the legal reserve and for a maximum period of 10 years, in accordance with the provisions of article 27 of the revised text of the Capital Companies Act, approved by Royal Legislative Decree 1/2010, of July 2.

e. Cautionary valuation rule: price offered to the public

Regulations: Art. 43.1.1 f) Law IRPFABBR and 48 Regulation IRPFABBR

When the performance of work in kind is satisfied by companies whose usual activity is the performance of the activities that give rise to it, the valuation may not be lower than the price offered to the public of the good, right or service in question.

The price offered to the public will be considered to be that provided for in article 60 of the consolidated text of the General Law for the Defense of Consumers and Users and other complementary laws, approved by Royal Legislative Decree 1/2007, of November 16 (BOE of November 30), deducting ordinary or common discounts. The following are considered to be such:

- a. Discounts offered to other groups with similar characteristics to the company's workers.
- b. Promotional discounts that are general in nature and in force at the time of payment of the remuneration in kind.
- c. Any other than the above, provided that they do not exceed 15% or 1,000 euros per year.

See in this regard the Second Additional Provision of the Regulations of IRPFABBR which regulates prior agreements for the valuation of in-kind remuneration for personal work for the purpose of determining the advance payment of IRPFABBR.

In the case of transfer of the use of **vehicles considered energy efficient** , the resulting valuation may be **reduced by up to 30 percent** , under the terms and conditions discussed in this Chapter.

f. Delivery of shares or interests granted to employees of a start-up company

Regulations: Art. 43.1.1 g) Law Income Tax

In the case of delivery of shares or holdings granted to the employees of a startup company who may benefit from the exemption provided for in Article 42 of the Law of IRPFABBR, the performance of work in kind will be computed:

- **If you have carried out a capital increase in the year prior to the year in which the shares or corporate interests are delivered:** for the value of the shares or corporate interests subscribed by an independent third party in the latter increase.
- **If the aforementioned extension has not taken place:** for the market value of the shares or corporate interests at the time of delivery to the worker.

Please note that the exemption of up to 50,000 euros provided for in Article 42.3.f) of the Law may apply. IRPFABBR for the delivery of shares or stakes to employees of emerging companies.

Also, take into account the special criterion of temporal imputation in the non-exempt part of these earnings provided for in article 14.2.m) of the Law of IRPFABBR which is examined later.

Note: see [*table: delivery of shares for free or at a price below the normal market price by the company to its employees*](#).

Table: Delivery of shares free of charge or at a price below the normal market price by the company to its employees

Note: The treatment is analyzed in the following table. IRPFABBR of:

- The free delivery of company shares and interests to its employees.
- Non-transferable stock options - involve the company granting its employees a right to purchase a certain number of company shares, at an agreed price lower than the market price and which may be exercised during a certain period, without said right to purchase being transferable by the employee.

Delivery of shares for free or at a price below the normal market price by the company to its employees

Qualification	Valuation in personal income tax	Tax benefits	RT imputation for subjects and non-exempt subjects
Earnings from work (RT) in kind Subject to payment on account	A. IN GENERAL • Free delivery accs ◦ Market value at the time of delivery. ◦ In the case of listed shares, the market value • Non-transferable stock options Difference between the market value/quoted value of the shares at the time of exercising the option – Price at which the option can be exercised (effective purchase price).	A. IN GENERAL • Exemption up to 12,000 euros per year ◦ Same conditions for all workers. ◦ With the requirements required by art. 42.3.f) Law IRPFABBR. • Reduction 30% on the non-exempt amount if it was generated over a period exceeding 2 years and provided that no other income was obtained in the previous 5 years RT to whom the reduction would have been applied (art. 18, paragraphs 1 and 3 Law IRPFABBR).	A. IN GENERAL Art. 14.1.a) Law IRPFABBR. When RT is required. That is, when they are delivered. In the case of non-transferable inter vivos purchase options (non-transferable stock options), the RT will accrue at the time the beneficiary exercises his purchase option right. This is also the case when shares are delivered. If the option is never exercised at any time, there will be no performance of any kind to be attributed.
	B. EMERGING COMPANIES (as of January 1, 2023) • Free delivery accs	B. EMERGING COMPANIES (as of January 1, 2023) • Exemption up to 50,000 euros per year	EMERGING COMPANIES (as of January 1, 2023)

Qualification	Valuation in personal income tax	Tax benefits	RT imputation for subjects and non-exempt subjects
	Difference between: ◦ If there is extension : value of shares subscribed by an independent third party in the last capital increase carried out in the year prior to the year in which they are delivered. ◦ If there is no extension : market value at the time of delivery. • Non-transferable stock options Same as delivery, discounting the price at which the option can be exercised.	With the requirements required by art. 42.3.f) Law IRPFABBR Except that the offer does not need to be made under the same conditions for all employees of the company, but it must be made within the general remuneration policy of the company and contribute to their participation in the company. Paragraph 2 of art. 42.3.f) Law IRPFABBR <u>Non-transferable stock options</u> : To be eligible for the exemption, the condition of being an emerging company must be met at the time the option is granted. Not when the right is exercised and the shares are delivered. Paragraph 2 of art. 42.3.f) Law IRPFABBR. • Reduction of 30% on the non-exempt amount if it was generated in a period exceeding 2 years and no other income was obtained in the previous 5 years RT to whom the reduction would have been applied (art. 18, paragraphs 1 and 3 Law IRPFABBR).	Art. 14.2.m) Law IRPFABBR. They are imputed and declared in the tax period in which any of the ss occurs. circumstances: • The shares of the emerging company are admitted to trading on regulated markets. • The shares leave the taxpayer's assets. • In any case, in the tax period in which the 10-year period from delivery occurs when the previous years do not occur. Although the payments on account are made when they are delivered (in the case of non-transferable stock options when the purchase option is exercised), they will be allocated when the returns are declared. (art. 79 Regulations) IRPFABBR)

Tax consideration of travel expenses and allowances

Regulations: Articles 17.1 d) Law IRPFABBR and 9 RegulationsIRPFABBR

Note: with regard to the travel, food and lodging expenses exempt from taxation, it must be taken into account that **it is not the employee** who is responsible for proving the reality of the travel and food and lodging expenses, **but the employer**. Therefore, it is the latter who is obliged to prove, where appropriate, to the Administration that the amounts paid for those concepts correspond to trips made on a certain day and place, due to or by reason of the development of his work activity (Supreme Court rulings no. 429/2020, of May 18 - ROJ : STS 954/2020- and 1080/2021, of July 22 - ROJ : STS 3185/2021-).

Locomotion expenses exempt from tax

amounts that, under the conditions and amounts indicated below, the employee or worker receives for the purpose of compensating for travel expenses incurred by travelling outside the factory, workshop, office or workplace to carry out work in a different location, regardless of whether the latter is located in the same or a different municipality as the usual workplace, are exempt from taxation and, therefore, shall not be included among the gross income from work.

On the other hand, amounts received for the employee or worker's travel from their home to their workplace are fully subject to tax and must be included in the declaration as full employment income, even when both are located in different municipalities.

Notwithstanding the foregoing, amounts paid to entities responsible for providing public passenger transport services for the travel of employees between their place of residence and the workplace are exempt, up to a limit of 1,500 euros per year for each employee, including indirect payment methods that meet the conditions established in Article 46 bis of the Regulation of IRPFABBR. See this exemption in section "[Exempt income from work in kind](#)" of this chapter.

Amounts allocated by the company for this purpose under the following conditions and amounts are exempt from taxation and, therefore, will not have to be included among income from personal work:

- If the employee or worker uses public transport, **the amount of the expense that is justified** by invoice or equivalent document.
- Otherwise, provided that the reality of the trip is justified, the amount resulting from computing **0.26 euros per kilometer traveled**, plus the toll and parking costs that are justified.

Accuracy : Sole Article 1 of Order HFP /792/2023, of July 12, 2023 (BOE of July 17), with effect from July 17, 2023, raised from 0.19 euros to 0.26 euros per kilometer traveled the amount exempt from tax allocated by the company to compensate the travel expenses of the employee or worker who travels outside the factory, workshop, office, or workplace, to carry out their work in a different place, provided that the reality of the displacement is justified.

Note: Any excess received over the indicated amounts is fully subject to taxation as employment income.

Maintenance and stay expenses exempt from tax

a) Concept

Amounts received by the employee or worker in the form of per diem and travel expense allowances intended to offset normal food and lodging expenses in restaurants, hotels and other hospitality establishments, incurred for expenses in a municipality other than the recipient's usual place of work and residence, are exempt from tax and, therefore, will not have to be included among the gross income from work.

The expression "travel to a municipality other than the usual place of work" must be interpreted to mean that the worker must be assigned to a workplace and leave or travel outside of it to perform his work at another workplace.

Application of the allowance regime of Article 9 of the Regulation to directors and members of the Board of Directors

The aforementioned regime is only applicable to employment or statutory relationships in which the characteristics of dependence, otherness and alienation are present. Directors or members of the Board of Directors shall not be entitled to apply the regime provided for in Article 9 of the Regulation for the allowances they receive in consideration of the performance of the tasks that correspond to them as such, that is, by virtue of said commercial relationship, although they may, however, apply said regime to those allowances that were imposed by their employment relationship with the company. To that end, the origin or cause of the allowances must be analyzed, taking into account the income paid independently due to his status as Administrator and as an employee of the Company. See the Resolution of the Central Economic-Administrative Court (TEAC), of January 30, 2025, Claim number 00-01475-2024, issued in an extraordinary appeal for the unification of criteria. It reiterates the criterion set in Claim number 00-08517-2022.

In the case of travel and stay for a continuous period of more than nine months in the same municipality, said allowances will not be exempt from taxation. For these purposes, time spent on vacation, illness or other circumstances that do not imply a change of destination in the same municipality will not be discounted.

Clarifications for the purposes of the provisions of Article 9.A.3) of the Personal Income Tax Regulations

- **Regarding the displacement:** In order for travel allowances to no longer be exempt from taxation, Article 9.A.3) of the Personal Income Tax Regulations requires that the travel be carried out continuously, without interruption, and that the travel be maintained for a period of more than nine months, regardless of the activity carried out and its characteristics. Criterion established by the Supreme Court in Judgment No. 229/2022, of February 23 (ROJ : STS 668/2022).
- **Regarding its accreditation:** The amounts paid for subsistence expenses on trips with or without overnight stays within Spanish territory or abroad, to municipalities other than the usual place of work of the recipient and the one that constitutes his residence, do not need proof as to their amount, in reference to

the quantitative limits indicated in said precept, for their consideration as allowances for normal subsistence expenses exempt from tax, without prejudice to the proof by the payer of the day and place of the trip, as well as its reason or motive.

- **Acceptable supporting documents:** With reference to the amounts that are considered allowances for normal expenses of maintenance and stay in hotels, restaurants and other hospitality establishments, for cases in which overnight stay is in a different municipality, the Personal Income Tax Regulations consider the expenses of stay to be exempt from taxation for the amounts that are justified. For these purposes, the only acceptable supporting documents are those corresponding to stays in hotels and other hospitality establishments, and amounts intended for the rental or lease of a home cannot be considered as such.

b) General rules

Officials and employees destined for Spain

The amounts listed in the following table on "*Allowances for maintenance and accommodation expenses exempt from tax*" are considered as allowances for normal maintenance and accommodation expenses in hotels, restaurants and other hospitality establishments only.

Important: For the purposes of applying the exemption, the payer must prove the date and place of the trip, as well as the reason or motive. Any excess over the indicated amounts is subject to taxation as employment income.

Allocations for maintenance and living expenses exempt from taxation

1. Spending the night in a municipality other than the recipient's place of work and residence	Spain	Foreign
Living expenses, in general	The amount of expenses that are justified	
Travel expenses (drivers of road freight vehicles without proof of expenses)	15 euros/day	25 euros/day
Living expenses	53.34 euros/day	91.35 euros/day

2. Without spending the night in a municipality other than the recipient's place of work and residence	Spain	Foreign
Maintenance, in general	26.67 euros/day	48.08 euros/day
Maintenance (flight crew)	36.06 euros/day 🇪🇺	66.11 euros/day 🇪🇺

Note to the tables:

(*) If on the same day there are trips within Spain and abroad, the applicable amount will be the one corresponding to the largest number of flights made. [\(Back\)](#)

Example:

For three days in April 2025, Mr. LGR He was sent by his company from the municipality where he lives and works to another, 500 km away, to carry out certain commercial transactions, the payer proving such circumstances. He received 760 euros for travel and subsistence expenses, having spent the night for two days of the trip.

As proof of expenses, he kept the round-trip plane ticket, which amounted to 210 euros, and the hotel bill, which amounted to 195 euros.

What amount of the allowances and travel expenses received should Mr. LGR declare? as full income for the purposes of IRPFABBR?

Solution

Amount received = 760

Expenses exempt from tax:

- Locomotion: justified (airline ticket) = 210
- Stay: justified (hotel bill) = 195
- Maintenance $[(53.34 \times 2) + 26.67] = 133.35$
- Total = 538.35

Total taxable income: $(760 - 538.35) = 221.65$

Officials and employees destined abroad

Regime of excesses

Under the terms established in Article 9.A.3.b) of the Regulation of IRPFABBRThe excess received by the following persons stationed abroad over the total remuneration they would receive had they been stationed in Spain, provided they are taxpayers for the IRPFABBR.

- Spanish civil servants.
- Personnel serving the State Administration.
- Civil servants and staff in the service of other Public Administrations.
- Employees of companies with foreign destinations.

Important: In these cases, the requirement that the recipient's travel and stay be for a continuous period of less than nine months is not required. Furthermore, the application of this tax-exempt allowance regime is incompatible with the exemption for income received for work performed abroad [art.7.p) Law IRPFABBR].

Calculation of the exempt amount

- In the case of Spanish public officials posted abroad, the exempt amount will be the "excess" they receive over the total remuneration they would receive if they were posted in Spain, as a result of the application of the modules and the receipt of the compensation provided for in articles 4, 5 and 6 of Royal Decree 6/1995, of 13 January, which regulates the remuneration system for public officials posted abroad, and calculating said excess in the manner provided for in said Royal Decree, and the compensation provided for in article 25.1 and 2 of Royal Decree 462/2002, of 24 May, on compensation for reasons of service.
- In the case of personnel serving the State Administration posted abroad, the exempt amount will be the "excess" they receive over the total remuneration they would receive from salaries, three-year periods, bonuses or incentives, if they were posted in Spain. For these purposes, the body responsible for remuneration will agree on the remuneration equalisations that may apply to said personnel if they were assigned to Spain.
- In the case of employees of companies posted abroad, the exempt amount will be the "excess" they receive over the total remuneration they would receive from salaries, daily wages, seniority, extra payments, including benefits, family assistance or any other concept, by reason of position, employment, category or profession in the event that they are posted in Spain.

Incompatibility

Taxpayer **may choose to apply this excess regime instead of exemption** for income received from [work actually performed abroad](#) which is discussed in Chapter 2.

Therefore, when filing their tax return, the taxpayer may choose to IRPFABBR, for applying the excess regime regulated in article 9. A.3.b.2 of the Regulation of IRPFABBR or the exemption under Article 7p) of the Law on IRPFABBR. And this is regardless of whether the payer has calculated the withholdings on account of IRPFABBR applying the excess regime.

Mobile or itinerant work centers

The general system of allowances and travel expenses exempt from taxation is also applicable to allowances for travel, food and lodging expenses received by workers specifically hired to provide their services in companies with mobile or itinerant work centres, provided that these allowances correspond to travel to a municipality other than the one that constitutes the worker's habitual residence.

A mobile or itinerant company is one that, due to the characteristics of the activity it carries out, requires its workers to travel to the places where their services are required. The definition of a mobile or itinerant workplace is associated with the movement of workers to the different places where the company must provide its services, such that in this type of employment contract, the acceptance by the worker of the indeterminacy of the Center where the services must be provided is inherent. In short, the worker carrying out his activity in the same workplace, moves with it. This is considered to be the case, for example, for circuses and certain companies that install electrical and telephone equipment.

c) Special rules

Special labor relations of a dependent nature

In these cases, it is necessary to distinguish between:

- Living expenses, which follow the general rule set out above (only deductible from the total income to the extent that they are specifically reimbursed by your company), and
- Travel and subsistence expenses, to which a special rule applies according to which, when travel and subsistence expenses are not specifically reimbursed by the companies to which they provide their services, taxpayers who obtain income from work derived from this type of employment relationship may reduce their gross income, to determine their net income, by the following amounts, provided that they justify the reality of their travel:

a. For transportation expenses .

When public transport is used, the amount of the expense must be justified by an invoice or equivalent document.

Otherwise, the amount resulting from computing **0.26 euros per kilometer traveled** , plus any justified toll and parking costs.

Accuracy : Please note that, with effect from 17 July 2023, sole article 2 of Order HFP /792/2023, of 12 July 2023 (BOE of 17 July), raised from 0.19 euros to 0.26 euros per kilometre travelled the amount exempt from taxation for taxpayers who obtain income from work derived from special dependent employment relationships when travel and maintenance expenses are not specifically reimbursed by the companies to which they provide their services.

b. For living expenses .

Movements in Spanish territory: 26.67 euros per day.

Travel abroad: 48.08 euros per day.

Example:

Mr. DMM He was hired by a company in Zaragoza as a sales representative, establishing a special employment relationship of a dependent nature in accordance with Royal Decree 1438/1985, of August 1. Travel, accommodation and food expenses are your responsibility and will not be specifically reimbursed by the company. The area assigned to him for his work is located in the north of the province of Teruel, and he travels in his own vehicle.

Throughout 2025, he received a total of 27,400 euros for his services, having traveled for 110 days and covering a total of 20,000 kilometers. The duly justified expenses arising from such travel are the following:

- Parking fees = 96
- Hotel stay expenses = 1,500
- Living expenses in restaurants = 3,300

Determine the amount of gross income taxable by Mr. DMM in their 2025 personal income tax return.

Solution:

Gross remuneration = 27,400

Non-computable income:

Transportation expenses (20,000 km x 0.26 euros) = 5,200

Parking fees = 96

Maintenance expenses (26.67 euros x 110 days) = 2,933.70

Living expenses: ☹️ --

Total = 8,133.70

Total taxable income (27,400.00 – 8,133.70) = 19,266.30

Note the example:

(*)Since the company does not specifically reimburse the expenses of the stay, no amount is deductible for this concept. [\(Back\)](#)

Transfer of job to a different municipality

Amounts received due to the transfer of a job to a different municipality are considered to be tax-exempt travel expense allowances, provided that, in addition:

- Such transfer requires a change of residence.
- The amounts received correspond exclusively to:
 - a. Travel and subsistence expenses of the employee or worker and their family members during the transfer.
 - b. Expenses for moving furniture and belongings.

Example:

In March 2025, Mr. PLL He was transferred by his company from Madrid to Barcelona, receiving compensation of 3,000 euros for said transfer. As proof of the moving expenses, keep:

- Invoice from the moving company for an amount of 1,293 euros.
- Km traveled: 600 (he and his spouse traveled in their own car, without staying overnight).

Solution:

Amount received: 3,000

Amount exempt from tax.

- Travel expenses: (600 Km x 0.26) = 156
- Living expenses without overnight stay (26.67 x 2) = 53.34
- Moving invoice: 1.293

- Total: 1,502.34

Total taxable income $(3,000.00 - 1,502.34) = 1,497.66$ *

Note to example:

(*) A reduction of 30% will be applied to this amount, as this income is considered to be obtained in a notoriously irregular manner over time. See in this same Chapter the [special reduction](#) applicable to certain gross earnings from work. [\(Back\)](#)

Jury candidates, jurors and polling station members

Amounts received for travel, accommodation and subsistence by candidate jurors and by regular and alternate jurors as a result of the performance of their duties are exempt from tax, as provided for in Royal Decree 385/1996, of March 1, which establishes the remuneration and compensation regime for the performance of the duties of the jury (BOE of March 14). The amounts set therein have been updated by the Resolution of the Ministry of the Presidency of July 21, 2006 (BOE of July 26).

Amounts received by members of the Electoral Boards are also exempt from taxation, in accordance with the provisions of Order INT /212/2023, of March 1, regulating the diet of members of the electoral boards. (BOE of March 6).

Net income from work to be included in the tax base

General scheme

Phase 1:

- (+) Full amount accrued (monetary remuneration).
- (+) Tax assessment plus non-transferred income on account (remunerations in kind).
- (+) Business contributions to social security systems (imputed amounts).
- (+) Contributions to the protected assets of people with disabilities.
- (-) Reductions applicable to the following income:
 - Generated over a period of more than two years.
 - Obtained in a notoriously irregular manner over time.
 - Benefits received from public social security schemes.
 - Benefits received from private social security systems (transitional regime).
 - Regarding income from artistic activities obtained in an exceptional manner.
- (=) Full performance of work.

Phase 2:

- (-) Deductible expenses:
 - Contributions to Social Security or mandatory mutual funds for public employees.
 - Deductions for passive rights.
 - Contributions to orphanages or similar institutions.
 - Fees paid to both unions and professional associations (with mandatory membership).
 - Legal defense expenses in litigation with the employer.
- (=) Previous net performance of work.
 - Other expenses:
 - a. Fixed amount applicable generally: 2,000 euros.
 - b. Increase due to geographical mobility.
 - c. Increase for active workers with disabilities.
- (=) Net income from work.

Phase 3:

- (-) Reduction of returns under the special regime "XXXVII Copa América Barcelona".
- (-) Reduction for obtaining work income (only for taxpayers with net work income less than 19,747.50 euros and income other than work income that does not exceed 6,500 euros).
- (=) Reduced net return on labor.

Phase 1: Determination of total work performance

Monetary income from work must be calculated at the full or gross amount accrued, that is, without deducting the amounts that have been deducted by the payer as deductible expenses or the withholdings on account of IRPFABBR performed on said yields.

For the purposes of completing the self-assessment, if the income is received in a currency other than the euro, it must be converted into the latter currency by applying the official exchange rate. For these purposes, and according to the provisions of article 36 of Law 46/1998, of December 17, 1998, on the introduction of the Euro, the official exchange rate of the national currency in relation to other currencies will be considered to be that published for the euro by the European Central Bank, either itself or through the Bank of Spain.

The income from work in kind must be computed by the amount resulting from adding to the value of the remuneration received, determined in accordance with the rules indicated in the corresponding section of this same Chapter, the payment on account that should have been made by the payer of the same, provided that its amount has not been passed on to the worker.

As a general rule, gross returns are computed in full in accordance with what we have just indicated, unless any of the reductions discussed below apply:

Reductions applicable to certain gross income

The reductions applicable to the gross income listed below are intended to mitigate the negative effects of the progressive nature of the tax scales. IRPFABBR It can originate in those returns whose generation period does not correspond to that of their obtaining. Specifically, these reductions are as follows:

A) Reduction for returns with a generation period of more than two years or obtained in a notoriously irregular manner

Regulations: Art. 18.2 Law IRPFABBR

***Note:** These reductions will not apply when the benefit is received in the form of income.*

1. Income with a generation period of more than two years, other than those derived from social security systems: reduction of 30 percent

In general

A reduction of **30 percent** of the amount of gross income will be applied when each and every one of the following requirements are met:

- That the total income is different from that provided for in article 17.2. a) of the Law of IRPFABBR.

Note: Please note that the returns provided for in Article 17.2. a) of the Law of IRPFABBR The reduction in section 3 of article 18 of the Law applies to them. IRPFABBR.

- That the returns have a generation period **more than two years**.

The period of generation of the yield must be understood as the time elapsed from the beginning of the existence of the right to receive the yield until it materializes, producing the accrual of the yield. The generation period thus understood must be greater than two years, computed from date to date.

Particular case: unemployment benefit in the form of a lump sum

According to article 7.n) of the Personal Income Tax Law, "unemployment benefits granted by the respective managing entity will be exempt when received in the form of a single payment established in Royal Decree 1044/1985, of June 19, which regulates the payment of unemployment benefits in its form of a single payment, provided that the amounts received are used for the purposes and in the cases provided for in the aforementioned regulation." This exemption is conditional on maintaining the share or participation for a period of five years, in the event that the taxpayer has joined worker-owned companies or worker-owned cooperatives or has made a contribution to the share capital of a commercial entity, or on maintaining the activity for the same period, in the case of the self-employed worker.

Well, in cases where the requirement to maintain the situation in question for a period of five years is not met, and therefore the aforementioned exemption does not apply, the taxpayer must include in the self-assessment for the tax period in which the non-compliance occurred the amount received as a "single payment," on which no tax was paid when it was received. Regarding these cases, the Central Economic-Administrative Court (TEAC) has established the following interpretative criterion: When the amount thus received is ultimately due to having had a period of paid employment of more than two years, the reduction for multiple years provided for in Article 18.2 shall be applied to that amount. See the Resolution of the Central Economic-Administrative Court (TEAC), of October 21, 2024, Claim number 00-08822-2023, issued in an extraordinary appeal for the unification of criteria

- That the returns are imputed in **a single** tax period.
- That within the period of the **five tax periods prior to** one in which they become due, the taxpayer has not obtained other income with a generation period greater than two years, to which the reduction has been applied.

In particular: Income derived from the termination of an employment relationship, common or special

In the case of compensation arising from the termination of an employment relationship, common or special, the following particularities will be taken into account to apply the reduction of **30 percent** , :

- The number of years of service **##1** .
- These returns can also be collected in **fractional form**.

However, in the event that they are collected in installments, the 30% reduction will only be applicable when the quotient resulting from dividing the number of years of generation, computed from date to date, by the number of tax periods of installment, is greater than

two.

For these purposes, all tax periods in which the compensation is received must be taken into account as fractioning tax periods, including the years in which the compensation is exempt.

Taxpayer **may apply the reduction**, even if in the period of the five previous tax periods he had obtained other income with a generation period of more than two years, to which he had applied the reduction provided for in this section.

See table on "[collective dismissals: exempt compensation, reduction for irregularity of 30% of the non-exempt amount and early redemption](#)".

Transitory rules:

Regulations: Twenty-fifth transitional provision of the Law IRPFABBR

- **For income that was being received in installments prior to January 1, 2015 and does NOT come from compensation for termination of the employment relationship, common or special, or the commercial relationship.**
 1. This must be **income other than that arising from compensation for termination of the employment relationship, common or special, or the commercial relationship referred to in article 17.2 e) of Law** (administrators and members of the Boards of Directors, of the Boards that act in their place and other members of other representative bodies).
 2. It must be **returns that were received in installments prior to January 1, 2015**.
 3. It must be income eligible for the application of the **reduction of article 18.2 of the Law of IRPFABBR, as worded on December 31, 2014.**

When these conditions are met, taxpayer **may apply the current reduction of 30 percent** to each of the fractions that are imputed as of January 1, 2015, provided that the quotient resulting from dividing the number of years of generation, computed from date to date, by the number of tax periods of fractionation, is greater than two.

However, in the case of **income derived from commitments acquired prior to 1 January 2015** that were scheduled to begin being collected in installments in tax periods beginning on or after that date, the substitution of the initially agreed method of collection for its collection in a single tax period will not alter the start of the period for generating the income.

- **For income received in fractional form and derived from the termination prior to August 1, 2014 of the business relationship with directors and members of the Boards of Directors, and other members of other representative bodies.**

In the case of employment income from compensation for termination of the business relationship with directors and members of the Board of Directors and other members of other representative bodies with a generation period of more than two years, a reduction of may be applied when the quotient resulting from dividing the number of years of generation, computed from date to date, by the number of tax periods of fractionation is greater than two, provided that the date of termination of the relationship is before August 1 2014

- **For income derived from the exercise of stock or participation purchase options granted by employees before January 1, 2015.**

In the case of employment income derived from the exercise of purchase options on shares or interests by employees **that were granted prior to January 2015** and are exercised more than two years after their grant, if, in addition, they were not granted annually, this reduction of **30 percent** may be applied, even if, in the period of the five tax periods prior to the one in which they are exercised, the taxpayer had obtained other income with a generation period of more than two years to which the reduction would have been applied.

2. Returns classified by regulation as obtained in a notoriously irregular manner over time: reduction of 30 percent

Regulations: Art. 12.1 Regulation IRPFABBR

A reduction of **30 percent** may be applied to income that is classified by regulation as having been obtained in a clearly irregular manner over time, provided that it is imputed in a single tax period.

For these purposes, Article 12.1 of the Regulation of IRPFABBR It considers only the following as income from work obtained in a notably irregular manner over time:

1. The amounts paid by the company to employees on account of **transfer to another workplace**, that exceed the amounts provided for in Article 9 of the Regulation of IRPFABBR.

Regarding the amounts exempt from tax, see this assumption in section [Special rules](#), of the "Maintenance and stay expenses " of this Chapter.

2. Compensation derived from public Social Security or Passive Classes regimes, as well as benefits paid by orphanages and similar institutions, in the case of **non-disabling injuries** .
3. Benefits paid for **non-disabling injuries or permanent disability**, in any degree, by companies and public entities.
4. The **death benefits; and the expenses for burial** or interment that exceed the limit declared exempt for workers or civil servants, both those of a public nature and those paid by orphanages and similar institutions, companies and public entities.

See Chapter 2 for exemption relating to benefits received for [burial or funeral](#).

5. Amounts paid in **compensation or repair of salary supplements, pensions or annuities of indefinite duration or for the modification of working conditions** .
6. The amounts paid by the company to the workers for the **resolution, by mutual agreement, of the employment relationship** .
7. The **literary, artistic or scientific prizes that do not enjoy exemption** from this tax. For these purposes, economic compensation derived from the transfer of intellectual or industrial property rights or that replace these are not considered prizes.

3. General limit: maximum amount of performance to which the reduction applies

Joint annual limit

The amount of the gross income to which the 30% reduction will be applied may not exceed the amount of **300,000 euros per year** .

This limit applies to the sum of the gross income that has a generation period of more than two years, as well as those that are classified by regulation as having been obtained in a notoriously irregular manner over time.

In the event that several irregular returns of the same nature are obtained, and their amount exceeds the limit of 300,000 euros of maximum amount on which to apply the 30% reduction, the maximum reduction will be distributed proportionally between all the returns of that nature.

4. Specific limits

4.1. For income derived from the termination of an employment relationship, common or special, or from the commercial relationship with administrators and members of the Boards of Directors and other members of other representative bodies

Without prejudice to the general annual limit of 300,000 euros, in cases of termination of the employment relationship, common or special, or of the commercial relationship with directors and members of the Board of Directors, and other members of other representative bodies, or both, occurring after January 1, 2013, in which the amount of employment income derived from the termination exceeds 700,000 euros **the following** specific limits are established for the application of the 30% reduction.

Amount of irregular work income	Limit on which to apply the 30% reduction
Up to 700,000 euros	Joint annual general limit = 300,000 euros
Note to the table: (*) RT = arithmetic sum of such employment income from the same company, or from other companies in the group, regardless of the number of tax periods to which they are attributed. (Back)	

Amount of irregular work income	Limit on which to apply the 30% reduction
Between 700,000.01 and 1,000,000 euros	300,000 - (RT - 700,000) (*)
More than 1,000,000 euros	0 euros
Note to the table: (*) RT = arithmetic sum of such employment income from the same company, or from other companies in the group, regardless of the number of tax periods to which they are attributed. (Back)	

For the application of these limits, the total amount of work income to be computed will be determined by the arithmetic sum of the work income indicated above from the company itself or from other companies in the group of companies in which the circumstances provided for in article 42 of the Commercial Code occur, **regardless of the number of tax periods to which they are attributed**.

Remember : these additional limits specific They are not applicable to employment income derived from the termination of employment or commercial relationships that occurred before January 1, 2013 (twenty-fifth transitional provision of the Law on IRPFABBR).

It should also be noted that, in the case of income derived from the termination of an employment relationship, whether common or special, for the purposes of applying the additional specific limits, the amount of income to be computed will be the excess over the exempt limit.

Example:

Don RTL was fired on January 3, 2025. As a result of the above, he has received compensation of 550,000 euros from the company, of which 200,000 euros correspond to the amount established as mandatory in the Workers' Statute for unfair dismissal. Calculate the applicable reduction.

Solution :

Amount received: 550,000

Amount exempt from tax: 180,000

The lesser of:

- Amount established as mandatory by the Workers' Statute: 200,000
- Maximum amount of exempt compensation: 180,000

Total taxable income (550,000 – 180,000) = 370,000

Note: The excess compensation over the exempt limit (i.e., 370,000 euros) is subject to taxation as employment income.

Applicable reduction (30% s/ 300,000) = 90,000

Note: Since the amount of taxable income is less than 700,000 euros, the reduction is applied with the overall annual general limit of 300,000 euros.

Income to be included in the tax base (370,000 – 90,000) = 280,000

4.2. For income derived from the exercise of stock or participation purchase options granted by employees before January 1, 2015

In this case (income from work derived from all purchase options granted prior to 1 January 2015), without prejudice to the application of the joint annual limit (300,000 euros), the limit provided for in article 18.2.b) 1 of the Law will apply. IRPFABBR **as worded on December 31, 2014**.

This limit consisted of the fact that the amount of income to which the reduction was applied could not exceed the amount resulting from multiplying the average annual salary of all the declarants in the IRPFABBR, which will be 22,100 euros, for the number of years of generating the return.

Regarding the average annual salary of all declarants of IRPFABBR, see the sixteenth transitional provision of the Regulation of IRPFABBR.

This limit was doubled when such returns met the following requirements:

1. The shares or interests acquired must be held for at least three years from the date of exercise of the purchase option.
2. The offer of purchase options is made under the same conditions to all employees of the company, group or subgroups of the company.

In general plans for the delivery of purchase options on shares or holdings, failure to comply with the requirement to maintain the acquired shares or holdings for at least three years will give rise to the obligation to submit a supplementary self-assessment, including late payment interest, within the period between the date on which the requirement is not met and the end of the regulatory declaration period corresponding to the tax period in which said non-compliance occurs (seventeenth transitional provision of the Regulation of the IRPFABBR).

B) Benefits in the form of capital derived from public social security schemes

Regulations: Art. 18.3 Law IRPFABBR and 12.3 Regulation IRPFABBR

Taxpayers may apply a **reduction of 30 percent** to the following benefits, provided that they are received in the form of **capital**, consist of a single **payment** and more than **two years have passed since the first** contribution. The two-year period is not required in the case of disability benefits:

- a. The **pensions and passive assets** received from the public Social Security and Passive Classes regimes and other public benefits **not exempt due to situations of disability, retirement, accident, illness, widowhood or similar**.

Precision: However, when pensions or similar benefits are received from previous periods, or supplements or surcharges thereof from such periods, because a court ruling has so recognized, the reduction in Article 18.3 of Law 35/2006 does not apply to the amounts received from previous periods, when the periods concerned exceed two years, but the reduction in Article 18.2 of the Law does apply. IRPFABBR. See the Resolution of the Economic-Administrative Court (TEAC) of June 1, 2020, Claim number 00/03228/2019, issued in an appeal for the unification of criteria.

In accordance with the above, the reduction in article 18.2 of the Personal Income Tax Law is operative with respect to pensions and passive assets of the public Social Security regimes and passive classes and other public benefits for situations of disability, retirement, accident, illness, widowhood, or similar, when they are recognized by a court ruling and cover more than two years.

- b. Benefits received by the **beneficiaries of compulsory general mutual funds for public officials, orphanages and other similar entities**.

In the case of mixed benefits, which combine income of any type with a single payment in the form of capital, the reduction referred to will only be applicable to the payment made in the form of capital.

C) Transitional regime of reductions applicable to benefits received in the form of capital derived from private social security systems

Important: As of January 1, 2007, the general reduction regime is not applicable to benefits in the form of capital derived from private social security systems, except for those arising from the transitional regime discussed below, with the time limits indicated therein.

C 1. Benefits received in the form of capital derived from collective insurance contracts that implement company pension commitments

Regulations: eleventh transitional provision of the Law IRPFABBR

Beneficiaries of lump-sum benefits arising from contingencies occurring after January 1, 2015, from insurance policies taken out before January 20, 2006, may apply, in the year in which the corresponding contingency occurs, or in the following two years, the financial and tax regime in force on December 31, 2006, but only to the part of the benefit corresponding to contributions made up to that date (December 31, 2006), as well as for the ordinary premiums provided for in the original policy of the contract paid after that date.

The above should also be understood to be applicable to benefits derived from contingencies occurring after January 1, 2015, which correspond to group insurance contracted before January 20, 2006, when the annual automatic renewal of the insurance policy entails a merely modifying novation that does not extinguish the insurance relationship or restart it on the occasion of each renewal, extension or alteration. Criterion established by the Supreme Court in Judgment No. 545/2020, of May 25 (ROJ : STS 1665/2020).

Likewise, the aforementioned tax regime will apply in the case of group insurance contracts that implement the externalization of pension commitments agreed in collective agreements of supra-company scope under the name "retirement bonuses" or others, which consist of a benefit payable only once at the time of termination due to retirement, signed before December 31, 2006.

This regime is as follows:

a. Business contributions not attributed to workers.

The applicable reduction on the amount of the benefit received is **40 percent** in the following cases:

- When they correspond to premiums paid more than two years prior to the date on which they are received.
- In the case of disability benefits, regardless of the period of time elapsed since the first contribution.

b. Business contributions attributed to workers

The reduction percentages indicated below must be applied to the amount resulting from reducing the benefit received by the amount of employer contributions attributed to the worker, as well as the amount of contributions, if any, made by the worker himself.

Reduction 75%	Reduction 40%
Returns corresponding to premiums with more than five years in advance	Returns corresponding to premiums with more than two years in advance
Benefits for permanent total disability or severe disability	Remaining disability benefits

However, **may apply a one-time reduction of 75% to the total income** if the following requirements are met:

- That these are insurance contracts entered into after December 31, 1994.
- That more than eight years have passed since the first premium was paid.

- That the average period of permanence of the premiums has been greater than four years. This average period is the result of calculating the sum of the premiums multiplied by the number of years of service and dividing it by the total sum of the premiums paid. That is to say:

$$\Sigma (\text{Premiums} \times \text{number of years of permanence}) / \Sigma (\text{premiums paid})$$

In the event that there have been **periodic or extraordinary premiums**, in order to determine the portion of the total return obtained that corresponds to each premium, said total return will be multiplied by the weighting coefficient resulting from the following quotient: In the numerator, the result of multiplying the corresponding premium by the number of years elapsed since it was paid until the benefit was collected, and in the denominator, the sum of the products resulting from multiplying each premium by the number of years elapsed since it was paid until the benefit was collected. That is to say:

$$\frac{\text{Premium} \times \text{number of years elapsed from payment to collection}}{\Sigma (\text{each premium} \times \text{number of years elapsed from payment to collection})}$$

Finally, it should be noted that this tax regime is also applicable to collective insurance contracts that implement the externalization of pension commitments agreed in collective agreements at a supra-company level under the name "retirement bonuses" or others, which consist of a benefit payable only once at the time of cessation due to retirement, signed before December 31, 2006.

Important: As of January 1, 2015, the application of the reductions of the transitional regime is limited to benefits in the form of capital that are received within the periods indicated in section " [Time limits for the application of the reductions of the transitional regime](#) " .

C 2. Benefits received in the form of capital derived from other private social security systems (pension plans, social security mutual societies and insured pension plans)

Regulations: Twelfth Transitional Provision of the Law IRPFABBR

Note: As of 1 January 2015, the application of the reductions under the transitional regime is limited to benefits in the form of capital received within the time periods indicated in section " [Time limits for the application of the reductions under the transitional regime](#) " .

Those receiving benefits arising from contingencies occurring after 1 January 2015 may apply the reduction scheme in force on 31 December 2006, but only to the part of the benefit corresponding to the contributions made up to that date (31 December 2006) in the year in which the corresponding contingency occurs, or in the following two years.

This regime consists of the possibility of applying the following reductions:

a. 40% reduction in the following cases:

- When more than two years have passed since the first contribution (that is, when more than two years have passed between the first contribution to the pension plan and the date of the contingency).
- When they correspond to disability benefits, regardless of the time period that has elapsed since the first contribution and the date of the contingency.

b. A 50% reduction for benefits received in the form of capital by persons with disabilities from social security systems established in their favour, provided that more than two years have passed since the first contribution.

Clarifications:

- The reduction applicable to benefits in the form of capital derived from pension plans or insured pension plans **refers to those received in respect of the same contingency**.

When benefits are received from various pension plans, the 40 or 50 percent reductions indicated above may be applied to all amounts received in the form of a lump sum (single payment) in the year in which the corresponding contingency occurs and in the two following years, and not just in one year, for the part corresponding to contributions made up to December 31, 2006. See the Resolution of the Central Economic-Administrative Court (TEAC), dated October 24, 2022, Claim number 00-08719-2021, issued in an extraordinary appeal for the unification of criteria.

In the specific case of mobilizing part of the consolidated rights of a pension plan to give rise to several pension plans, the aforementioned TEAC resolution makes no mention whatsoever of the application of the reduction provided for in the transitional regime in the case of several pension plans derived from another. However, in general, it can be inferred from the content of the resolution that the fact that some mobilization had taken place prior to receiving the benefit would not prevent the application of the criterion set out. However, if the transfer of vested rights is not carried out for the purpose of said operation, but for the sole fiscal purpose of applying the reduction of the transitional regime in several years, the provisions of articles 15 and 16 of the General Tax Law could apply.

- In the event of receiving in the form of capital **benefits derived from a pension plan and from a social security mutual fund for the same contingency**, the application of the reduction will refer to the benefit from the pension plan and from the social security mutual fund independently.
- In the case of **retirement or disability benefits received from social security mutuals** The reduction percentage is applied to the portion of the total amount received corresponding to contributions made up to December 31, 2006 (for benefits arising from contingencies occurring after January 1, 2015, in the year in which the corresponding contingency occurs, or in the following two years), except in those cases where the total employment income is determined by the difference between the amount received and the contributions that could not be reduced or decreased in the taxable base of the IRPFABBR.
- If the **benefits from pension plans are received in a mixed form (income and capital)**, the beneficiary may freely identify or decide which part of the benefit received in the form of capital corresponds to contributions made before December 31, 2006, including their profitability, and which corresponds to contributions made after this date.

Partial redemption of a pension plan in exceptional cases of disposal of vested rights in cases of serious illness or long-term unemployment and, subsequently, due to retirement

Article 9 of the Regulation on pension plans and funds, approved by Royal Decree 304/2004 of 20 February, establishes that, exceptionally, the rights consolidated in pension plans may be exercised in whole or in part in cases of serious illness or long-term unemployment in accordance with the provisions of this article, provided that this is expressly provided for in the specifications of the pension plan and subject to the conditions and limitations established therein.

The possibility of applying the 40 percent reduction is conditional on the benefits being received within a certain period, the end of which depends on the fiscal year in which the contingency occurs.

For these purposes, the exceptional liquidity situation must be understood to have occurred when all the requirements established by pension plan regulations are met in order to be able to exercise the vested rights (being legally unemployed, having exhausted unemployment benefits at their contributory level or not being entitled to them, and being registered as a job seeker). In the case of retirement, it should be understood that, as a general rule, the retirement contingency occurs at the time of accessing retirement under the corresponding Social Security system.

Therefore, since retirement is a contingency distinct from the exceptional cases of disposition of vested rights in pension plans, the aforementioned 40% reduction is applicable in both cases, except in cases where, for tax purposes, the collection of the retirement benefit is deemed to be early.

Remember that the early disposal, in whole or in part, of the consolidated rights in pension plans and similar supplementary social security systems will only be allowed in the exceptional cases of liquidity provided for in article 8.8 of the consolidated text of the Law on the Regulation of Pension Plans and Funds (long-term unemployment, serious illness and from 2025 onwards for contributions with at least 10 years of age).

Assumption of early disposal of vested rights corresponding to contributions made at least ten years ago (art. 8.8 and DT 7 TRLRPF; art. 9.4 and DT 7 RPF) and, subsequently, due to retirement.

From 1 January 2025, the consolidated rights derived from contributions made to pension plans and similar supplementary social security systems made up to 31 December 2015 will be available, with the corresponding returns in accordance with the seventh transitional provision of Royal Legislative Decree 1/2002, of 29 November, which approves the consolidated text of the Law on the Regulation of Pension Plans and Funds.

In these cases, the application of the 40 percent reduction to pension plan benefits received in the form of capital, provided for in the twelfth transitional provision of the Personal Income Tax Law, will be possible provided that the requirements for its application are met.

Regarding the moment when the early disbursement is considered to have occurred, it is a necessary condition not only that at least 10 years have passed to understand this exceptional case of liquidity to have occurred, but also that the early disbursement is expressly requested by the participant.

Consequently, for the purposes of determining the period in which the benefit must be received in the form of capital for the application of the reduction derived from the twelfth transitional provision of the Personal Income Tax Law, it must be considered that the case of early disbursement occurs in the year in which the requirement of seniority of the contributions is met (lapse of 10 years) and, in addition, the disbursement has been expressly requested by the participant.

For tax purposes, the early withdrawal scenario will occur in the same year for all pension plans corresponding to the same participant that at that time have contributions made at least ten years ago.

According to section 4 of the twelfth transitional provision of the Personal Income Tax Law, the application of the 40 percent reduction is conditional upon the benefits being received within a certain period, the end of which depends on the year in which the early provision is understood to have occurred. As noted, once it has been determined that the year in which the early withdrawal is understood to have occurred is the one in which the requirement of seniority of the contributions is met and, in addition, the participant expressly requests the withdrawal, the reduction derived from the transitional regime may be applied in that year or in the following two years, under the terms provided for in said transitional provision.

Finally, considering that the primary purpose of pension plans is to address the contingencies referred to in Article 8.6 of Royal Legislative Decree 1/2002, of November 29, which approves the consolidated text of the Law on the Regulation of Pension Plans and Funds, in the event that the consolidated rights in pension plans can be accessed in advance because they correspond to contributions made at least ten years ago and simultaneously the benefit could be received due to the occurrence of some contingency, for tax purposes it would be understood that the benefit corresponding to said contingency is received. Therefore, if the 40 percent reduction were applied, it could not be applied again later due to the same contingency.

Furthermore, if the vested rights in pension plans can be accessed early because they correspond to contributions made at least ten years ago, and the requirements for collecting vested rights under the exceptional liquidity circumstances of serious illness or long-term unemployment provided for in the pension plan regulations are met simultaneously, if the 40 percent reduction for the early accession of vested rights is applied, the 40 percent reduction for the exceptional liquidity circumstance that occurs will subsequently be applicable, provided that the provisions of the twelfth transitional provision of the Personal Income Tax Law are met and, in particular, that the amounts are received within the period indicated therein.

C 3. Temporary limits for the application of reductions of the transitional regime

Regulations: Transitional provision eleven.3 and transitional provision twelfth.4 Law IRPFABBR

The possibility of applying the reductions of the transitional regimes discussed in sections 1 and 2 above (both those derived from collective insurance contracts that implement pension commitments and those derived from pension plans, social welfare mutual funds and insured pension plans) is conditional on the benefits being received in the form of capital in the year in which the corresponding contingency occurs, or in the two following years.

Note: *If the retirement contingency has occurred in 2025, the transitional regime may be applied to the benefits received in that year and the following two years.*

For these purposes, it should be understood that, in general, the retirement contingency occurs at the time of accessing retirement in the corresponding Social Security regime.

However, if the benefits are received by the beneficiaries of the pension plan in the event of the death of the participant, the year in which the death occurs will determine the time limit for applying the reduction, provided that the requirements are met.

Note: *If the benefit in the form of capital is received after these periods have ended, the taxpayer will not be able to apply any reduction for this concept.*

D) Reduction for income from artistic activities obtained exceptionally

Regulations: Sixtieth Additional Provision of the Law IRPFABBR

From January 1, 2025, a 30 percent reduction can be applied to returns **whole** of work obtained exceptionally when each and every one of the following requirements is met:

- That the reduction provided for in article 18.2 of the Law does not apply to them IRPFABBR.

- That derive from the elaboration of literary, artistic or scientific works referred to in article 17.2.d) of the Personal Income Tax Law, or from the special employment relationship of artists who carry out their activity in the performing, audiovisual and musical arts, as well as of persons who carry out technical or auxiliary activities necessary for the development of their activity.
- That exceed 130 percent of the average amount of income of this nature imputed in the three previous tax periods.

Once the aforementioned requirements have been met, 30 percent of the aforementioned excess will be reduced.

The amount of the full income to which this 30 percent reduction will be applied **It cannot exceed the amount of 150,000 euros per year.**

Example

Mrs. POR She works as an employee at a large science communication platform. He has an employment contract as a screenwriter.

In 2025, the platform launches a science documentary series that becomes a huge commercial success and Ms. POR He therefore earns a gross income of 350,000 euros.

Ms. POR's gross wages in recent years were:

2022: 125,000 euros

2023: 135,000 euros.

2024: 100,000 euros.

Determine if Mrs. POR You can apply the new reduction for income from artistic activities obtained exceptionally in 2025.

Solution:

The 30 percent reduction applies to the excess obtained in 2025 with respect to the average of the income that would have been attributed to him in the three previous tax periods up to a maximum of 150,000 euros. Therefore:

- Average of imputed income in the three previous tax periods: $(125,000 + 135,000 + 100,000) / 3 = 120,000$.
- 130% of the average of the previous income is: $130\% * 120,000 = 156,000$ euros.
- Surplus obtained in 2025: $350,000 - 156,000 = 194,000$ euros.

In this case, since 194,000 euros exceeds 150,000 euros, the 150,000 euro limit applies. Therefore, Ms. POR will reduce her total employment income by 30% of 150,000 euros = 45,000 euros.

Summary tables: Reductions applicable to certain gross income

Reduction for work income with a generation period of more than two years or obtained in a notoriously irregular manner

Income with a generation period of more than two years, other than those derived from social security systems: 30% reduction	Returns classified by regulation as obtained in a notoriously irregular manner over time: 30% reduction
In general • That the returns have a generation period greater than 2 years. • That the returns are imputed in a single tax period. • That within the period of 5 tax periods prior to the one in which they become due, the taxpayer has not obtained other income with a generation period of more than two years to which the reduction has been applied.	• Amounts paid by the company to employees due to transfer to another workplace, which exceed the amounts provided for in article 9 of the Personal Income Tax Regulations. • Compensation derived from public Social Security or Civil Service schemes, as well as benefits paid by orphanages and similar institutions, in cases of non-disabling injuries. • Benefits paid for non-disabling injuries or permanent disability, of any degree, by companies and public entities.
For income derived from the termination of an employment relationship, common or special: • The number of years of service of the worker will be considered as the generation period. • These returns can also be collected in installments. In this case, the 30% reduction will only be applicable when the quotient resulting from dividing the number of years of generation, computed from date to date, by the number of tax periods of fractionation, is greater than two. • The taxpayer may apply the reduction even if, during the previous 5 tax periods, he or she had obtained other income with a generation period of more than 2 years, to which he or she had applied the reduction provided for in this section.	• Death benefits and funeral or burial expenses that exceed the declared exempt limit, of workers or civil servants, both those of a public nature and those paid by orphanages and similar institutions, companies and public entities. • Amounts paid in compensation or reparation for salary supplements, pensions or annuities of indefinite duration or for the modification of working conditions. • The amounts paid by the company to the workers for the resolution, by mutual agreement, of the employment relationship. • Literary, artistic or scientific prizes that do not enjoy exemption from this tax.
Transitional scheme • For income received in installments before January 1, 2015 that does not come from compensation for termination of the employment relationship, common or special, or the commercial relationship.	

Income with a generation period of more than two years, other than those derived from social security systems: 30% reduction	Returns classified by regulation as obtained in a notoriously irregular manner over time: 30% reduction
- For income received in installments arising from the termination prior to August 1, 2014 of the business relationship with directors and members of the Board of Directors, and other members of other representative bodies. - For income derived from the exercise of stock or participation purchase options granted by employees before January 1, 2015.	
Quantitative limits	
A) Joint annual limit: 300,000 euros per year. This limit applies to the sum of the gross income that has a generation period of more than two years, as well as those that are classified by regulation as having been obtained in a notoriously irregular manner over time. B) Additional specific limits for certain income with a generation period of more than two years, other than those derived from social security systems, without prejudice to the general limit indicated in letter A): - For income derived from the termination of an employment relationship, common or special, or from the commercial relationship with administrators and members of the Boards of Directors and other members of other representative bodies: The limit to which the reduction will be applied based on the amount of irregular work income obtained will be: - The joint annual limit of 300,000 euros applies up to 700,000 euros. - Between 700,000.01 and 1,000,000 euros: 300,000 - (Work Income - 700,000). - More than 1,000,000 euros: 0 euros. - For income derived from the exercise of stock or participation purchase options granted by employees before January 1, 2015: The amount of the income may not exceed 300,000 euros, or, if lower, the amount resulting from multiplying the average annual salary of all personal income tax filers (22,100 euros) by the number of years of income generation, and this limit may be doubled in the cases reflected in the corresponding section of the limits.	

Transitory rules: Reductions applicable to benefits received in the form of capital derived from private social security systems

	Benefits		Reductions	Time limits
On collective insurance contracts that implement company pension commitments	Benefits received in the form of capital derived from contingencies occurring after January 1, 2014 from insurance policies contracted before January 20, 2006. This tax reduction regime applies to benefits received in the form of capital in the same tax period and will only be applicable to the part of the benefit corresponding to the premiums paid up to December 31, as well as the ordinary premiums provided for in the original policy paid after this date.	Business contributions not attributed to workers The reduction is applied to the benefit received.	Reduction of 40% in the following cases: Disability benefits. Benefits corresponding to premiums paid more than two years prior to the date on which they are received.	The transitional regime will be applicable, where appropriate, to benefits received in the year in which the corresponding contingency occurs, or in the two following years. <i>If the benefit in the form of capital is received after these periods have ended, the taxpayer will not be able to apply any reduction for this concept.</i>
		Business contributions attributed to workers The reduction applies to: (+) Benefit received (-) Business contributions imputed to the worker	Reduction of 75% in the following cases: - Returns corresponding to premiums with more than five years in advance. - Benefits for permanent absolute disability or severe disability.	
		(-) Contributions, if any, made by the worker himself	Reduction of 40% in the following cases: - Returns corresponding to premiums with more than two years in advance. - Remaining disability benefits.	
On pension plans, social welfare mutual funds and insured pension plans	Benefits received in the form of capital arising from contingencies occurring after January 1, 2014. The reduction may only be granted to amounts received in the form of capital in the same tax period for the part corresponding to contributions made		Reduction of 40% when the following circumstances occur: When more than two years have passed since the first contribution.	The transitional regime will be applicable, where appropriate, to benefits received in the year in which the corresponding

	Benefits	Reductions	Time limits
	up to December 31 2006. The reduction refers to the benefits received in relation to the same contingency. In the event of receiving benefits in the form of capital derived from a pension plan and from a social welfare mutual fund for the same contingency, the application of the reduction will refer to the benefit from the pension plan and from the social welfare mutual fund independently.	When they correspond to disability benefits, regardless of the period of time elapsed since the first contribution. 50% reduction for: Benefits received in the form of capital by persons with disabilities from social security systems established in their favour, provided that more than two years have passed since the first contribution.	contingency occurs, or in the two following years. <i>If the benefit in the form of capital is received after these periods have ended, the taxpayer will not be able to apply any reduction for this concept.</i>

Table: collective dismissals: exempt compensation, reduction for irregularity of 30% of the non-exempt amount and early redemption

Note: The table refers to the termination of the employment relationship due to collective dismissal carried out in accordance with the provisions of Article 51 of the Workers' Statute (known as the Employment Regulation File for Termination -ERE-), whose consultation period began after August 1, 2008.

Exempt compensation - Art. 7.e) Law IRPFABBR-	Reduction for irregularity of 30% of the non-exempt amount - Art. 18.2 Law IRPFABBR-	Early redemption in the form of capital of unemployment pension plans and application of the 40% reduction of the DT Law 12 IRPFABBR
The minor of: a) 180.00 euros b) The amount corresponding to the contract of the worker affected by the collective dismissal: • For contracts after 12-02-2012: 33 days per year of service, with a maximum of 24 monthly payments. • For contracts prior to 12-02-2012 (DT 22 Law IRPFABBR): 45 days per year of service from the start date of the contract until February 12, 2012 and 33 days per year of service for the period between February 12, 2012 and the date of dismissal. The amount may not exceed days' salary, unless the calculation of the compensation for the period prior to February 12, 2012 results in a higher number of days, in which case this will be applied as the maximum compensation amount,	For this purpose, the generation period will be considered as the number of years of service of the worker. These returns can be collected : • all at once or • in a fractional manner (when the number of years of generation ÷ divided by the number of fractional periods is > 2) All years in which the compensation is received must be taken into account, including those in which the compensation is exempt. The reduction can be applied even if this reduction had been applied in the last 5 previous financial years. Reduction limit : The limit on which the reduction is to be applied depends on the amount of non-exempt compensation obtained: • Up to 700,000 euros: 300,000 euros. • Between 700,000.01 and 1,000,000 euros : 300,000 - (Total non-exempt	Reduction : 40 percent • If the benefit is received in the form of a capital for the entire amount of the plan, you may apply to the part of the benefit that corresponds to contributions made up to 31-12-2006. • If the benefit is received in a mixed form, combining income of any type with a payment in the form of capital, the aforementioned reduction may be applied to the part of the benefit that is received in the form of capital, under the terms set forth for the benefit in the form of capital. Time limits: may be applied to all amounts received in the form of capital (single payment) in the year in which the corresponding contingency occurs and in the following two years. TEAC Resolution on unification of criteria (No. 00/08719/2021/00/00). If you have several plans, each one can therefore be redeemed in the form of capital in a different financial year within the aforementioned period. Contingencies to be taken into account for early redemption in case of unemployment : 1. Case of collective dismissal as a contingency comparable to retirement.

Exempt compensation - Art. 7.e) Law IRPFABBR-	Reduction for irregularity of 30% of the non-exempt amount - Art. 18.2 Law IRPFABBR-	Early redemption in the form of capital of unemployment pension plans and application of the 40% reduction of the DT Law 12 IRPFABBR
without said amount being able to exceed 42 monthly payments.	compensation - 700,000). • More than 1,000,000 euros: 0 euros. Please note that this limit, referring to the total amount of severance pay, is independent of the application of the limit of 300,000 euros per year corresponding to the sum of all gross income that has a generation period of more than two years, and of those classified by regulations as having been obtained in a notoriously irregular manner over time.	If the specifications of the pension plan provide for the early payment of the benefit corresponding to retirement in the event of collective dismissal (*), when the collective dismissal occurs and the worker becomes legally unemployed, at that time (becomes unemployed) the retirement contingency is considered to have occurred regardless of the worker's age, for the purposes of early redemption and the calculation of the time periods for applying the reduction. 2. Assumption of long-term unemployment (contingency not directly linked to the existence of a collective dismissal) When, assumption 1 above does not occur, this contingency is expressly contemplated in the collective pension plan, early withdrawal is permitted and the calculation of the periods for applying the reduction begins. Therefore, if the above assumption (1) is met, early redemption is not appropriate in this case. The following requirements are required: be legally unemployed, have exhausted unemployment benefits at their contributory level or are not entitled to them and be registered as a job seeker.

(*) Please note that the specifications of the pension plan may provide for the early payment of the retirement benefit also when the worker becomes legally unemployed in the cases contemplated in articles 49.1.g) [due to the death, retirement or incapacity of the employer], 52 [for objective reasons] and 57 [bankruptcy proceedings] of the Workers' Statute (ET) .[\(Back\)](#)

Table: reduction on gross employment income derived from artistic activities obtained exceptionally

Origin of the returns	Required requirements	Percentage	Reduction base	Calculation of the applicable reduction
- Preparation of literary, artistic or scientific works (art.17.2 d) Personal Income Tax Law). - Those that come from the special employment relationship of artists who carry out their activity in the performing, audiovisual and musical arts, as well as the people who carry out technical or auxiliary activities necessary for the development of said arts.	To apply this reduction, compliance with each and every one of the following requirements is necessary: - That No proceed to apply the reduction for irregularity provided for in art.18.2 of the Personal Income Tax Law. - That the returns come from the indicated sources. - That the returns exceed 130 percent of the average amount of the aforementioned income imputed in the three previous tax periods.	30 percent	Amount: the portion of the gross income for the year obtained exceptionally that exceeds 130 percent of the average of the income indicated for the previous three years. Maximum limit: The 30 percent reduction cannot be applied to an amount exceeding 150,000 euros per year.	$30\% \times [\text{total returns for the year} - 1.3 * (\text{average returns of the last 3 years})]^*$ *with a maximum base of 150,000 euros per year.

Phase 2: Determination of net income

Regulations: Article 19 Law IRPFABBR

Deductible expenses of article 19 of the Personal Income Tax Law

Once the total income from work has been determined, the expenses stipulated by the Law must be deducted. IRPFABBR qualifies as deductible for determining net income. For these purposes, the following are considered exclusively tax-deductible expenses:

- Contributions to Social Security or to compulsory general mutual funds for public servants.

Attention: Contributions to systems that, according to the regulations of the country of origin, are analogous to Social Security or Mutual Societies in other States and are made due to the performance of work for others in that country will also be considered deductible expenses for the determination of net employment income, provided that the contributions are directly linked to the gross employment income declared in the IRPFABBR.

- b. Deductions for passive rights.
- c. Contributions to orphanages or similar institutions.
- d. Dues paid to unions and dues paid to professional associations.

Fees paid to professional associations will be deductible as an expense when membership is mandatory for the performance of the work, in the part that corresponds to the essential purposes of these institutions, and with a limit of 500 euros per year (See art. 10 Regulation IRPFABBR).

- e. Legal defense expenses arising directly from litigation arising from the relationship between the taxpayer and the person from whom he receives the income, with a limit of 300 euros per year.

The concept of legal defense is defined around the intervention of legal professionals who defend the interests of the taxpayer (recipient of employment income) in disagreements or disagreements that he may have with the person from whom he receives the income. Therefore, only the fees of these professionals will be considered included in this expense concept and always within the limit of 300 euros per year.

- f. Other expenses other than those above.

In particular, analysis of the expenses of article 19.2.f) of the Personal Income Tax Law

Regulations: Article 19.2.f) Law IRPFABBR

Note: the deductible expenses of article 19.2.f) of the Law of IRPFABBR They are applied per family unit in the case of joint taxation.

Under this concept the following amounts are included as deductible expenses:

a. For obtaining returns

2,000 euros per year , in general, for all taxpayers who obtain employment income.

b. Increase due to geographical mobility

- The above amount **will be increased by an additional 2,000 euros per year** when it concerns taxpayers who meet the requirements listed below:

1. That they are unemployed persons registered at the employment office.
2. That they accept a job located in a municipality other than their usual residence.
3. That the new job requires the transfer of your habitual residence to a new municipality.

Please note that, Generally, the application of the geographical mobility allowance is conditional upon the taxpayer having actually changed their residence to a new municipality, different from their usual residence, without this municipality necessarily having to be the one where the accepted job is located. However, the new job must require the change of residence.

A causal relationship between the change of residence and the acceptance of the job is required. For these purposes, the passage of a prolonged period of time between both moments may be an indication, among other factors to consider, that such a causal relationship does not exist.

Article 19.2.f) of the Personal Income Tax Law does not contain, for the application of the increase for geographical mobility, any requirement of a temporary nature, either in terms of permanence in the job that is accepted or in terms of permanence in the municipality to which one moves one's residence due to the acceptance of the job. Nor does the rule limit its application to the duration of the employment contract.

In the case of the increase in deductible expenses due to geographical mobility, since it applies in the year in which the change of residence occurs and in the following year, the limit must be calculated individually in each of the two years and will be determined by the total income from the work that has generated said expenses in each of them, once applied, if applicable, the 30 percent reduction on gross income generated over more than two years or that is notoriously irregular corresponding to that income and the reduction for income from artistic activities obtained in an exceptional manner, and reduced in each tax period, both by the remaining deductible expenses linked exclusively to such income, and by the proportional part of the remaining deductible expenses that corresponds to the duration of the accepted employment contract. If no work income is obtained in the second year of the work that motivated the change of residence, the amount to be computed as deductible expense in said year will be zero.

- The additional amount of 2,000 euros per year **will be applied in the tax period in which the change of residence occurs and in the following** .

If in joint taxation there is more than one taxpayer entitled to apply the deductible expense for that concept, the total amount that may be deducted will be 2,000 euros, with the limit of the net income from work derived from the jobs accepted by all taxpayers who have the right to apply that expense.

Geographical mobility in the case of career civil servants: registration requirement at the employment office

In the case of unemployed people who take up a position as career civil servants, the requirement to register with the employment office must be fulfilled at the next available time depending on whether they have to carry out courses or internships during the period in question and whether it requires a move during that period that determines a change of residence.

Two cases can be distinguished:

1. That the corresponding selection process **No** require periods of courses or internships: It is sufficient that the interested party is registered at the employment office before the time of taking possession as a civil servant at their destination.
2. That the corresponding selection process requires periods of courses or internships: The requirement must be met before the start of the corresponding course or internship period.

Whether or not there are periods of courses or internships, access to the status of public official occurs only once, and therefore, the benefit can only be applied on the occasion of a change of address, never two.

See in this regard the TEAC Resolution of January 30, 2025, Claim number 00-09334-2023, issued in an extraordinary appeal for the unification of criteria.

c. Increase for active workers with disabilities

In the case of persons with disabilities who earn income from work as active workers, the general amount will be increased by the amounts indicated in the following table:

The status of [person with a disability and his/her accreditation](#) is discussed in Chapter 14.

Grade of DISCAPACITY	Amount (euros)
Equal to or greater than 33% and less than 65%	3.500
Equal to or greater than 65% or who prove they need help from third parties or have reduced mobility, even if they do not reach 65% disability	7.750

For the application of these deductible expenses as an active worker with a disability, the following circumstances must occur simultaneously, during any day of the tax period:

1. Be an active worker.

By the expression "active worker" included in article 19.2.f) of the Law of IRPFABBR It should be understood as that of the one who receives income from work as a result of the effective provision of his paid services, on behalf of another and within the scope of organization and management of another person, natural or legal, called employer or entrepreneur.

Clarifications:

A taxpayer who is legally unemployed, carries out an economic activity, or is on early retirement cannot be considered an active worker. a director of a company to which he does not provide services within the framework of an employment relationship, or who receives a pension for total permanent disability and does not perform any work for others, etc

People who receive temporary disability benefits are equated with active workers. Supreme Court ruling No. 1381/2020, of October 22 (ROJ : STS 3518/2020).

Likewise, regular employment is not required to be considered an "active worker", it being sufficient that the person with the recognised degree of disability is, for a single day of the tax period, a recipient of work income for the effective provision of services (which may be part-time) paid, on behalf of another person (permanent or temporary), within the scope of organisation and management of another person (physical or legal). Supreme Court ruling No. 1356/2020, of October 20 (ROJ : STS 3265/2020).

2. Have the required degree of disability, which must be accredited in accordance with the provisions of Article 72 of the Regulations of IRPFABBR.

For these purposes in the IRPFABBR Those taxpayers with a degree of disability equal to or greater than 33 percent are considered persons with disabilities.

As regards the accreditation of the degree of disability, this must be done by means of a certificate or resolution issued by the Institute of Migration and Social Services or the competent body of the Autonomous Communities.

However, a degree of disability equal to or greater than 33 percent will be considered accredited in the case of Social Security pensioners who have been granted a pension for total, absolute or severe permanent disability and in the case of pensioners of passive classes who have been granted a retirement pension for permanent disability for service or uselessness.

Likewise, a degree of disability equal to or greater than 65 percent will be considered accredited in the case of persons whose incapacity is declared judicially, even if it does not reach said degree.

Precision: disability throughout the tax period (after the start of the period and before the accrual date)

The TEAC, in its resolution of April 22, 2025, Claim number 00-01351-2024, issued in an extraordinary appeal for the unification of criteria, has established as an interpretative criterion, for those cases in which the recognition of the disability occurs throughout the tax period, that it is not appropriate to prorate the amount of the deductible expenses referred to in art. 19.2.f) of the Personal Income Tax Law, but rather that these will be applied in full up to the limit of the employment income to which they are associated (employment income obtained since the degree of disability has been recognized).

Note: Please note that, as of September 3, 2021, the date of entry into force of Law 8/2021, of June 2, which reforms civil and procedural legislation to support persons with disabilities in the exercise of their legal capacity, the references made to judicial incapacity are extended to court decisions establishing representative guardianship of persons with disabilities.

In the case of joint taxation of family units in which there are several active workers who are considered to be disabled, the total amount of the deductible expense for this concept will be the **amount corresponding to the taxpayer with the highest degree of disability**, with the limit of the sum of the net income from work corresponding to the periods in which the taxpayers, with the right to apply this expense concept, are active workers and disabled.

d. Limit on deductible expenses for other expenses

Deductible expenses for other purposes will be limited to the total income from the work that generated said expenses, once the reductions of article 18 have been applied where applicable. and where applicable, the reduction for income from artistic activities obtained exceptionally, regulated in the sixtieth Additional Provision of the Law of IRPFABBR, corresponding to that performance, and reduced by the remaining deductible expenses established in Article 19 of the Law of IRPFABBR that correspond, exclusively or proportionally, to those returns.

For the purposes of applying this limit, when the taxpayer obtains in the same tax period income derived from work that allows for the computation of a higher deductible expense in the concept of geographical mobility and in that of active worker with a disability, and other work income, the increase in the deductible expense will be attributed exclusively to the gross work income indicated first.

Consequently, the limit on increased expenses regulated in the second and third paragraphs of point f) of article 19.2) of the Law of IRPFABBR It is the full performance linked to them, once the reductions of article 18 have been applied where applicable. and, where applicable, the reduction for income from artistic activities obtained exceptionally, regulated in the sixtieth Additional Provision of the Law of IRPFABBR, less the deductible expenses linked exclusively to the income obtained and the proportional part of the remaining expenses that corresponds to the duration of the accepted employment contract or the number of days in which the circumstances of active worker and with disability occur.

In the event that, in individual or joint taxation, the increase in deductible expenses for geographical mobility and for an active worker with a disability coincide, the income that limits the amount to be deducted for both concepts is the result of the sum of the income that generates the right to deduct for one or both concepts.

Example:

Mr. JFT with a recognized disability of 34 percent during 2025 He worked in January at a company, earning a net income of 1,000 euros. He was subsequently unemployed until December, when he accepted a job that required him to change his residence to another municipality and for which he obtained a net income of 800 euros. During the time he was unemployed he was registered at the employment office and received 6,000 euros.

Determine the deductible expenses for the increase in geographical mobility and for active workers with disabilities.

Solution

Total amount of deductible expenses for both concepts $(2,000 + 3,500) = 5,500$

By geographical mobility: 2,000

For active worker with a disability: 3.500

Limit on increased expenses $(1,000 + 800)$ [\(1\)](#) = 1,800

Amount to be deducted [\(2\)](#) = 1,800

Notes to the example:

(1) Total net income corresponding to geographical mobility and active worker with a disability: 1,000 euros for the month of January and 800 euros for the job that required him to move his habitual residence. [\(Back\)](#)

(2) The taxpayer may deduct 1,800 euros by choosing either to deduct 1,800 euros per active worker with a disability and not deduct anything for geographical mobility, or to deduct 800 euros for geographical mobility and 1,000 euros per active worker with a disability. [\(Back\)](#)

Phase 3: Determination of reduced net income

Reduction of the income under the special regime "XXXVII Copa América Barcelona"

Regulations: Thirty-sixth Final Provision of Law 31/2022, of December 23

Individuals who acquire the status of taxpayers by IRPFABBR As a result of their travel to Spanish territory for the "XXXVII Copa América Barcelona" event, they may apply a 65 percent reduction to the amount of net employment income received from the organizing entity or the teams participating in the "XXXVII Copa América Barcelona", during the celebration of said event and to the extent that it is directly related to their participation in it.

However, such income will not be considered to have been obtained in Spain when it is received by individuals who are not resident in Spain.

General reduction for obtaining work income

Regulations Art. 20 Law IRPFABBR

This reduction, which applies to taxpayers whose net employment income in 2025 is less than **19,747.5 euros** provided they do not have income, excluding exempt income, other than employment income exceeding **6,500 euros**, will reduce the net income from work by the following amounts:

Positive net return	Reduction amount
14,852 euros or less	7,302 euros
Between 14,852 and 17,673.52 euros	$7,302 - [1.75 \times (\text{RNT} - 14,852)]$ (*)
Between 17,673.52 and 19,747.5 euros	$2,364.34 - [1.14 \times (\text{RNT} - 17,673.52)]$

(*) RNT = net income from work which will be the result of reducing the gross income by the expenses provided for in letters a), b), c), d) and e) of article 19.2 of the Law of IRPFABBR [\(Back\)](#)

The concept of income, excluding exempt income, other than income from work includes the algebraic sum of net income (from movable and immovable capital, and from economic activities), imputed income and capital gains and losses computed in the year, without applying the integration and compensation rules. However, the returns must be computed at their net amount, that is, after deducting expenses, but without applying the corresponding reductions.

In the case taxation of family units in which several members receive income from work, the amount of the reduction will be determined based on the joint amount of the net income from work of all members of the family unit and, where applicable, income other than work, without it being necessary to multiply the amount of the resulting reduction based on the number of members of the family unit receiving income from work.

Important : As a result of the application of this reduction, the resulting balance **cannot be negative** .

Individualization of work performance

In accordance with the provisions of Article 11.2 of the Law of IRPFABBR, the returns from work correspond exclusively to the **person who, through their work, has generated the right to receive them**.

However, pensions, passive assets and other benefits received from social security systems will correspond entirely to **the person in whose favor** are recognized.

Therefore, benefits derived from pension plans are taxed in the IRPFABBR exclusively at the beneficiary's premises, as employment income, and for the total amount received.

Temporary imputation of work income

General rule

Regulations: Art. 14.1 a) Law IRPFABBR

Earnings from work, both income and expenses, are allocated to the tax period in which they are payable by the recipient.

Special rules

A. Yields pending judicial resolution

Regulations: Art. 14.2 a) Law IRPFABBR

When all or part of an income has not been paid, because the determination of the right to its collection or its amount is pending a judicial resolution, the unpaid amounts will be charged to the tax period in which the payment becomes final.

Notwithstanding the foregoing, if the employment income is not received in the year in which the court ruling becomes final, it will not be necessary to include it in the declaration corresponding to that year. Instead, by applying the rules relating to "arrears" discussed below, it must be declared through the corrective self-assessment corresponding to the year in which the court ruling became final. This declaration must be made within the period between the date on which the income is received and the end of the next filing period for tax returns. IRPFABBR.

Please note that, as of March 14, the date of approval of Order HAC /242/2025, of March 13, which approves the return forms for Personal Income Tax and Wealth Tax, fiscal year 2024, the effective application of the corrective self-assessment is established in the field of Personal Income Tax as the sole system for correcting self-assessments. This new rectification system is configured as the general procedure for modifying the corresponding personal income tax returns. to tax periods 2024 and following. Therefore, as of January 1, 2024, amendments to tax returns for tax periods prior to 2024 will be made according to the previous system (supplementary self-assessment). In this regard, see the section on Regularization of tax situations in the [manual corresponding to the affected tax period](#).

In any case, by applying this special rule of temporary imputation, if income corresponding to a generation period of more than two years is included in the declaration for a financial year, the reduction percentage of 30% will be applicable to them.

B. Delays

Regulations: Art. 14.2 b) Law IRPFABBR

When, due to justified circumstances not attributable to the taxpayer, income derived from work is received in tax periods other than those in which it was due, it must be declared when received, but allocated to the period in which it was due, through the corresponding corrective self-assessment, without penalty, late-payment interest or any surcharge.

The self-assessment must be submitted within the period between the date on which the arrears are received and the end of the next period for submitting self-assessments for the IRPFABBR.

Therefore, depending on whether the arrears are received before the start of the period for filing the personal income tax returns corresponding to the year 2025, during that period or after it and depending on whether it concerns arrears from previous fiscal years 2025 or from the exercise itself 2025 We encounter the following situations:

- a. **If delays are perceived between January 1st 2026 and the 7 April 2026, this is, before the start of the period for filing personal income tax returns corresponding to the fiscal year 2025 we can distinguish:**
- When dealing with arrears from a previous fiscal year 2025, the supplementary self-assessment or corrective, as appropriate, the tax return to which it corresponds must be submitted in that year before the end of the submission period (until June 30). 2026).
 - When it comes to delays in the fiscal year itself 2025, These must be included in the self-assessment for that year.
- If delays are perceived between the 8 April and June 30 2026, this is, during the period for filing personal income tax returns corresponding to the exercise 2025 we can distinguish:
- When dealing with arrears from a previous fiscal year 2025, The supplementary self-assessment for the corresponding tax year must be submitted within the period between the receipt of the back payments and the end of the tax return period for the tax year. 2026.
- For these purposes, it should be remembered that modifications to declarations corresponding to tax periods prior to 2024 will be carried out in accordance with the previous system, that is, by submitting the supplementary self-assessment for the year to which the aforementioned arrears correspond.
- When it comes to delays in the fiscal year itself 2025, These may be included in the self-assessment for that year or included in a corrective self-assessment corresponding to the year 2025 which must be submitted before the end of the tax return period for the fiscal year 2026.

- If the delays are noticed after the end of the filing period of the personal income tax returns corresponding to the exercise 2025 (that is, after June 30th) 2026), the corrective self-assessment corresponding to the year 2025 (they could be from exercises prior to 2025; supplementary self-assessments for years prior to 2024 or corrective if it concerns the 2024 fiscal year) must be submitted within the period between the receipt of the arrears and the end of the period for declaring the tax year 2026.

See in this regard the regularization by filing a corrective self-assessment in the case of "[Receipt of arrears of employment income](#)" of Chapter 18.

In this regard, please note article 67 LGT , which provides that the limitation period in case a) of article 66 (the right of the Administration to determine the tax debt through the appropriate liquidation) will begin to run "from the day following the day on which the regulatory period for submitting the corresponding declaration or self-assessment ends." Therefore, the calculation of the limitation period does not begin until the expiration of the aforementioned period for filing the corrective self-assessment.

Important : *The corrective self-assessment must be adjusted to the individual or joint taxation chosen in the original declaration.*

C. Income derived from the transfer of the exploitation of copyright

Regulations: Art. 7.3 Regulations IRPFABBR

In the case of income derived from the transfer of the exploitation of copyright that accrues over several years, the taxpayer may choose to allocate the advance payment to the account of the same as the rights accrue.

For these cases (advances on account of the transfer of the exploitation of copyright that will accrue over several years) the retention percentage, as of December 7, 2023, is 7%. Art. 101 Regulation IRPFABBR.

Attention: *If the taxpayer chooses to charge the advance payment as the royalties accrue, he/she must check box [0002] on the declaration.*

D. Estimated returns on work

Regulations: Art. 14.2 f) Law IRPFABBR

Estimated work income must be attributed to the tax period in which the work or service that generates such income was performed.

E. Income from work in kind derived from the delivery of shares or interests in a start-up company

Regulations: Art. 14.2 m) Law Income Tax

Income from work in kind derived from the delivery of shares or holdings in a startup company referred to in Law 28/2022, of December 21, on the promotion of the startup ecosystem, which, meeting the requirements established in article 42.3.f) of the Law on IRPFABBR If they are not exempt because they exceed the amount provided for in said article, they will be

charged in the tax period in which any of the following circumstances occur:

- That the company's capital is eligible for trading on a stock exchange or in any multilateral trading system, whether Spanish or foreign.
- That the corresponding share or participation leaves the taxpayer's assets.

However, after a period of ten years has elapsed from the delivery of the shares or interests without any of the circumstances indicated above having occurred, the taxpayer must impute the income from work referred to in this section to such shares or interests, in the tax period in which the aforementioned period of ten years has elapsed.

See under "Exempt benefits in kind" of this chapter, the exemption for "[Delivery to workers of shares or interests in the company itself](#)".

F. Benefits derived from pension plans

The income from work derived from these benefits must be attributed to the tax period in which they are received, even if this does not correspond to the period in which the contingency occurred.

Practical case

Mr. LMH with a 33 percent disability and hired indefinitely by the company "XXX" on January 1, 2000, was dismissed on March 12, 2025. The dismissal was judicially declared unfair. The data provided by the company in the corresponding certificate of withholdings and payments on account of IRPFABBR They are as follows:

Ordinary remuneration (gross monetary income): 10.100

Redundancy payment: 75,000

Discounts: Social Security Contributions: 3.600

Mr. LMH is entitled to two years of unemployment benefits starting on April 1st, 2025; However, in order to join a worker-owned cooperative, he decided to use the single payment option to collect this benefit, with the amount received amounting to 16,800 euros.

The remaining income not exempt from IRPFABBR obtained by the taxpayer in the year 2025 amounted to 5,500 euros.

Determine the reduced net performance of work, taking into account that, for the calculation of the compensation for dismissal or termination of the worker up to the amount established as mandatory in the Workers' Statute, the daily regulatory salary that must be taken into consideration is 90 euros.

NOTE: The amount of the withholdings has been established on an approximate annual income, calculated as of January 1, of 60,000 euros. Likewise, the amount of social security contributions has been set in approximate annual terms.

Solution:

1. Treatment of compensation received for dismissal.

Since it was an unfair dismissal that occurred on March 12th 2025, in order to determine the exempt compensation, it must be taken into account that the eleventh transitional provision.2 of Royal Legislative Decree 2/2015, of October 23, which approves the consolidated text of the Workers' Statute Law (BOE October 24).

Said eleventh transitional provision.2 of the consolidated text of the Workers' Statute Law establishes that compensation for unfair dismissal of contracts signed prior to February 12, 2012 will be calculated at a rate of 45 days' salary per year of service for the time of service prior to said date, prorating by months the periods of time less than one year, and at a rate of 33 days' salary per year of service for the time of service afterwards, prorating likewise by months the periods of time less than one year.

The resulting compensation amount may not exceed 720 days' salary, unless the calculation of the compensation for the period prior to February 12, 2012 results in a higher number of days, in which case this will be applied as the maximum compensation amount, without said amount being able to exceed 42 monthly payments, in any case.

Determination of the exempt amount in accordance with transitional provision eleventh.2 of the consolidated text of the Workers' Statute Law :

- **Period 11-01-2000 to 11-02-2012** (12 years and 1 month old):

Days worked in the company:

45 days x 12 years = 540 days

(45 days x 1 month) / 12 months = 3.75 days

Total (540 + 3.75) = 543.75 days

- **Period 12-02-2012 to 12-03-2025** (12 years and 1 month)

Days worked in the company:

33 days x 13 years = 429days

(33 days x 1 month) ÷ 12 months = 2.75 days

Total (429 + 2.75): 4310.75 days

Exempt compensation amount:

Insofar as the number of days taken into account for calculating the compensation for the two periods is 975.5 days (543.75 days + 431.75 days) and the amount of compensation cannot exceed 720 days of salary, the amount established as mandatory by the Workers' Statute will be 64,800 euros (90 euros x 720 days).

The amount of compensation for unfair dismissal established as mandatory by the Workers' Statute (€64,800) does not exceed the limit of €180,000 set by Article 7.e) of the Law on IRPFABBR. Therefore, it is completely exempt.

Non-exempt compensation amount:

The excess of the amount received over the exempt amount (75,000 – 64,800) = 10,200 euros is subject to taxation as employment income. However, a reduction percentage of 30% must be applied to this amount, since it is understood to have been generated over a period of more than 2 years.

See in this Chapter in Phase 1: Determination of total work performance, the section intended to examine the reduction by " [Performance with a generation period greater than two years](#) ".

2. Unemployment benefit in the form of a single payment.

Unemployment benefits in the form of a single payment, regardless of the amount, are exempt from IRPFABBR.

3. Declaration of the income obtained.

Total returns: (10,100 + 10,200) = 20,300

Reduction article 18.2 Law of IRPFABBR: $(30\% \text{ on } 10,200) = 3,060$

Total computable income $(20,300 - 3,060) = 17,240$

Deductible expenses: (Social Security) Article 19.2.a) Law of IRPFABBR: 3.600

Previous net return $(17,240 - 3,600) \text{ (1)} = 13,640$

Other deductible expenses article 19.2.f) Law of IRPFABBR:

- For obtaining work income: 2,000
- Active workers with disabilities [\(2\)](#): 3.500

Net performance: $(13,640 - 2,000 - 3,500) = 8,140$

Reduction for obtaining work income [\(3\)](#) 7.302

Reduced net performance: $(8,140 - 7,302) = 838$

Notes to the example:

(1) Deductible expenses as "other expenses" under Article 19.2.f) of the Law IRPFABBR They are limited to the total income from work once reduced by the rest of the deductible expenses. Therefore, the prior net return must be calculated to set the limit that cannot be exceeded by said expenses. [\(Back\)](#)

(2) In this case, all gross income from work is linked to the worker's status as a disabled worker, so the limit on increased expenditure for active workers with disabilities will be the previously calculated net income (13,640 euros). [\(Back\)](#)

(3) Since the net income from employment was less than 14,852 euros and there were no other incomes, excluding exempt income, other than employment income exceeding 6,500 euros (specifically 5,500 euros), the amount of the reduction for obtaining income from employment applying article 20 of the Law of IRPFABBR It will be: 7,302 euros . [\(Back\)](#)

Chapter 4. Returns on capital assets

The Tax Agency's electronic headquarters includes a " [Virtual Income Assistant](#) ", where you can find out how to calculate the income derived from the rental of a property in its different modalities (habitual residence, tourist use, business premises...) and deductible rental expenses.

Returns on capital assets

Introduction: capital returns

Regulations: Art. Law 21 IRPFABBR

Subject

The following are considered to be full capital returns: "*all profits or compensation, whatever their name or nature, monetary or in kind, that come, directly or indirectly, from assets, goods or rights, whose ownership corresponds to the taxpayer and are not related to economic activities carried out by this*".

However, income derived from the transfer of ownership of assets, even when there is a retention of title agreement, will be taxed as capital gains or losses, unless otherwise provided by the Law itself. IRPFABBR are classified as returns on capital.

According to the transcribed legal definition, capital returns are characterized by the following **notes** :

- a. They include all compensation or profits, whatever their name or nature, whether monetary or in kind.
- b. They must derive, directly or indirectly, from patrimonial elements, whether an asset, a right of a real or personal nature or a faculty.
- c. The assets, property or rights from which capital gains are derived must be owned by the taxpayer.
- d. They cannot originate from the transfer of ownership of assets, unless otherwise provided by the Law itself. IRPFABBR are classified as capital gains as in the case of the transfer, redemption, amortization, exchange or conversion of any kind of financial assets (see article 25.2 Law IRPFABBR).

See in this regard the section on " [Income from the transfer of equity to third parties](#) " in Chapter 5 of this Manual.

- e. The assets from which they are derived cannot be affected by economic activities carried out by the taxpayer.

The concept of [assets assigned to an economic activity](#) is examined in Chapter 6 of this Manual.

Classification:

Depending on the nature of the asset from which they originate, the Law of IRPFABBR classifies capital returns into:

- a. **Income from real estate capital** , which includes income from real estate, both rural and urban, that is not related to economic activities carried out by the taxpayer.
- b. **Income from movable capital** , which includes income from other assets and rights owned by the taxpayer and which are not related to economic activities carried out by the taxpayer.

This chapter is devoted to the returns on real estate capital, while the following chapter discusses the returns on movable capital.

Concept of real estate capital returns

Regulations: Art. 22.1 Law IRPFABBR

The following are considered to be gross income from real estate capital: those derived from the **leasing or from the constitution or transfer of rights or powers of use or enjoyment over rural and urban real estate or from real rights that fall on them** , whose **ownership** corresponds to the taxpayer and **are not affected** by economic activities carried out by the same.

The real rights of use or enjoyment over the property include, among others, usufruct, the right of use and habitation, the real right of time-share use of real estate, the right of surface, easements, censuses and emphyteutic census.

Full or shared ownership of property rights or real rights of enjoyment over real estate that is not leased or transferred to third parties, nor is it used for economic activities, does not generate real estate capital gains, but rather gives rise to the application of the special regime for the imputation of real estate income, with the exception of habitual residences, undeveloped plots of land and rural properties.

See in this regard, within Chapter 10, the heading "[Imputation regime for real estate income](#)", and Articles 6.2.e) and 85 of the Law of IRPFABBR.

Further clarifications regarding the concept of real estate capital gains

1. Leasing of real estate as a return on real estate capital

Regulations: Art. 27.2 Law IRPFABBR

The income derived from the **leasing of real estate** is considered as income from real estate capital, unless the **leasing is carried out as an economic activity**.

For these purposes, it is understood that the leasing of real estate is carried out as an economic activity only when at least one person employed with a full-time employment contract is used to organise it.

For rental income to qualify as income from real estate capital, the rental must be limited to the mere provision of a property for periods of time without the provision of services typical of the hotel industry (such as restaurant, cleaning, laundry and other similar services), nor must the requirements set out in article 27.2 of the Law be met. IRPFABBR.

Consequently, it will be considered as income from economic activities if any of the following circumstances occur:

- If the landlord uses at least one person employed under a full-time employment contract in the management of the business.

This requirement will only be considered fulfilled if said contract is classified as employment under current labor regulations and is full-time. However, in any case, this requirement implies that the landlord uses at least one person employed under a full-time employment contract in the management of the activity, and it cannot be considered fulfilled by the management tasks carried out by himself.

- If the lease is not limited to the mere provision of the property for periods of time, but is complemented by the provision of services typical of the hotel industry.

2. Sublease

Regulations: Art. 25.4.c) Law IRPFABBR

In the case of subleases, the amounts received by the **sublessor** are considered **income from movable capital**.

However, the participation of **owner or usufructuary** of the property in the sublease price is considered **returns on real estate capital**, without the reduction for the rental of real estate intended for housing, established in article 23.2 of the Law, being applicable to the net income. IRPFABBR, which is discussed later.

3. Leasing of businesses or mines

Regulations: Art. 25.4.c) Law IRPFABBR

Amounts received from business or mine leases are considered tax-related as **returns on movable capital**.

However, if the lease is only for a **business premises**, the returns obtained must be classified as from **real estate capital** and quantified by applying the rules discussed in this Chapter.

A distinction must be made between the leasing of business premises and the leasing of a business: If the object of the lease contract is not only movable and immovable property, but also an economic unit with its own entity capable of being immediately exploited, or pending mere administrative formalities to be so, the income received will be computed among those from movable capital; If the object of the lease is only the business

premises, the income will be considered to come from real estate capital.

4. Compensation for early termination of the lease agreement

The compensation paid as a result of the early termination of the lease agreement is considered by the **owner-lessor as an improvement** and not as a deductible expense for determining the net return on real estate capital. For the **tenant who receives it, it constitutes a capital gain** whose generation period will be the one corresponding to the length of the lease contract.

Summary table: treatment of compensation for early termination of the contract

Early termination of contract	Lessor	Tenant
Will of the landlord	Compensation paid: Improvement	Compensation received: Capital gains
Tenant's will	Compensation received: Real estate capital return	Compensation paid: Loss of assets

5. Property with simultaneous use or purpose in the same period (leased and at the disposal of its owners)

When a property is subject to different successive or simultaneous uses in the same tax period, that is, rented for part of the year and at the disposal of its owner for the rest, the income derived from the rent constitutes income from real estate capital and the income corresponding to the non-rented period or the non-rented part is considered imputed income from the ownership of the property, provided that it does not become the taxpayer's habitual residence.

The [imputation of income from properties](#) that have been, during the year, totally or partially, at the disposal of their owners or usufructuaries is discussed in Chapter 10.

The amount of the yields and imputed income will be determined in proportion to the number of days that the properties have been rented or unrented, respectively, during the fiscal year.

Income from real estate that is not leased or subleased, but is intended to be so (property in expectation of being leased), is taxed as imputed income and expenses corresponding to that period cannot be deducted, as long as no real estate capital gains are obtained during that period. Interpretive criteria established by the Supreme Court in its Judgment No. 270/2021, of February 25 (ROJ : STS 910/2021).

6. The leasing of common elements of a building

The leasing of common elements of a building, such as part of the façade or the roof, by the community of owners gives rise to returns on real estate capital that will be attributed to the co-owners according to their participation in the community.

The [regime for attributing income](#) obtained by certain entities, including property owners' associations, is discussed in Chapter 10.

Full returns

Leasing of real estate or creation or transfer of rights or powers of use or enjoyment over the same

Regulations: Art. 22.2 Law IRPFABBR

The gross income from real estate capital shall be the amounts that must be paid for all purposes by the purchaser or assignee of the rights or powers of use or enjoyment established on the real estate or, where applicable, those that must be paid by the lessee or sub-lessee of such real estate.

The amounts that the landlord has the right to receive after filing an eviction lawsuit for non-payment of rent or amounts similar to it, - a lawsuit to which the claim action for amounts accrued subsequently is added. upon presentation of this and until the delivery of effective possession of the property - are classified as returns on real estate capital, to be attributed to the tax period in which they are payable by the recipient. Interpretative criterion established by the Supreme Court (Litigation-Administrative Chamber) in the Third Legal Basis of its Judgment no. 1467/2021, of December 14, relapsed in cassation appeal no. 5253/2020 (RED : STS 4649/2021).

In addition, the **amounts received or that should be received due to the remaining assets transferred with the property** must be included among the income from real estate capital, such as, for example, furniture and fixtures, excluding the Tax. on Added Value (VAT) or, where applicable, the Canary Islands General Indirect Tax (IGIC).

Note: To calculate the net return on real estate capital, it must be taken into account that the changes in the amount set as the rental price (whatever the amount of the reduction) determine that the full return on real estate capital corresponding to the periods to which affected is the one corresponding to the new amounts agreed upon by the parties.

Furthermore, in cases where the deferral of rental payments is agreed, it will not be appropriate to reflect income from real estate capital in the months in which said payment has been deferred, since the due date of the rent has been deferred (the imputation of the rent is not appropriate because it is not due), pursuant to the provisions of Article 14.1.a) of the Law of IRPFABBR, which stipulates that income from work and capital will be attributed to the tax period in which it is due to the recipient.

The situation is different when the landlord does not agree to modify or reduce the amount set as the rental price (whatever the amount of the reduction) or agree to defer payment, resulting in non-payment of the rental income when it is due. In this case, the amounts corresponding to the leasing of the property must be attributed as full income from real estate capital, even if they have not been received.

Sublease or transfer

In the case of sublease or transfer, the owner or usufructuary of the property must compute as gross income from real estate capital the amounts received as participation in the price of such operations.

The amounts received by the lessee in the event of transfer or assignment of the lease rights are considered capital gains, but those received in the event of subleasing are income from movable capital.

Estimated real estate capital returns and related transactions

Estimated returns on real estate capital

Regulations: Articles 6.5 and 40.1 Law IRPFABBR

The provision of assets or rights that may generate income from real estate capital are presumed to be remunerated, unless proven otherwise.

In the absence of proof to the contrary, the valuation of said returns will be carried out at their normal market value, with normal market value being understood as the consideration that would be agreed between independent subjects, unless there is proof to the contrary.

However, in the case of leases or subleases of real estate or the creation or transfer of rights or powers of use over the same made to relatives, up to the third degree inclusive, the total net income may not be less than the imputed income derived from said property. This special valuation rule is discussed in the section "Minimum computable income in case of kinship" of this same Chapter.

Real estate capital gains and related-party transactions

Regulations: Article 41 of the Law IRPFABBR

In the event that the lease or sublease of real estate or the creation or transfer of rights or powers of use or enjoyment over the same is carried out to a company with which there are related relationships, under the terms provided for in article 18 of the LIS the taxpayer of IRPFABBR You must carry out your valuation at market value. Market value shall be understood as that which would have been agreed upon by independent persons or entities under conditions of free competition.

For this purpose, the taxpayer of IRPFABBR must comply with the documentation obligations for related-party transactions under the terms and conditions established in Chapter V (Articles 13 to 16) of the Corporate Income Tax Regulations, approved by Royal Decree 634/2015, of July 10 (BOE July 11).

Regarding the LIS see Law 27/2014, of November 27, on Corporate Tax.

Deductible expenses

In order to determine the net return on real estate capital **all expenses necessary to obtain may deducted from the gross returns, as well as the amounts allocated to the amortization of the property and other assets transferred** it, provided that they correspond to its effective depreciation.

In the case of leases of properties subject to and not exempt from Value Added Tax (VAT) or the Canary Islands General Indirect Tax (IGIC), deductible expenses will be calculated excluding the IVAABBR or, where applicable, the IGIC.

Interest and other expenses for financing, conservation and repair of the property

Regulations: Articles 23.1 a) 1 Law IRPFABBR and 13 a) Regulation IRPFABBR

The following are considered to be included among the expenses necessary to obtain the returns, among others:

1. Interest and other financing costs

Interest and other financing costs of third-party capital invested in the acquisition or improvement of the asset, right or faculty of use or enjoyment, as well as, where applicable, the assets transferred with it, are deductible.

Financing costs include the premiums for life insurance taken out with the financial institution that granted the loan for the acquisition of the property, provided that the contracting of said insurance is included in the lender's conditions for granting it. That is to say, the consequence of not taking out the aforementioned life insurance must be the impossibility of accessing said loan.

The deductibility of these expenses only applies (due to the necessary correlation of expenses with income) with respect to the part of the tax period in which the property is rented, that is, they are calculated proportionally to the number of days of the tax period in which the property is rented.

Therefore, the interest and other financing costs corresponding to the period of time prior to the formalization of the lease contract will not be deductible.

Important: the interest that, due to the application of floor clauses, would have been paid by the taxpayer in 2025 and with respect to those who, before the deadline for submitting self-assessment of IRPFABBR for said exercise (June 30th) 2026), an agreement is reached for the return of the amount with the financial entity or as a result of a court ruling or an arbitration award, they may not be deducted as an expense. See [Chapter 2](#).

2. Conservation and repair

The costs of maintenance and repair of the assets that generate the income are deductible. For these purposes, the following are considered:

- a. Those carried out regularly for the purpose of maintaining the normal use of material assets, such as painting, plastering or repairing facilities.

- b. Those for replacing elements, such as heating systems, elevators, security doors or others.

Amounts used to expand or improve assets are not deductible under this concept, as they constitute a higher acquisition value whose recovery is carried out through the corresponding amortizations.

The deductibility of pre-lease expenses is conditional on obtaining income, that is, full returns on real estate capital: those arising from the leasing or from the constitution or transfer of rights or powers of use or enjoyment of real estate or property rights that affect the same.

The existence of a correlation between maintenance and repair costs and the income derived from the subsequent leasing of the property means that maintenance and repair costs incurred on a property for the purpose of leasing it (that is, those incurred in the period of time prior to the formalization of the lease contract) will be considered deductible for the determination of the net return on real estate capital, provided that they are directed exclusively to the future obtaining of returns on real estate capital (through leasing or the creation or transfer of rights of use and enjoyment) and not to the enjoyment, even temporary, of the property by the owner. If in the year in which the expenses are incurred the taxpayer does not obtain capital gains from the property, the repair and maintenance expenses may be deducted in the following four years, respecting the legally established limit each year.

Maximum deduction limit for the two necessary expense concepts above

The following should be taken into account:

a) The maximum total amount to be deducted for interest and other financing costs and for maintenance and repair costs **may not exceed, for each asset or right, the amount of the gross income obtained.**

The excess may be deducted in the following four years, without exceeding, together with the expenses for these same concepts corresponding to each of these years, the amount of the gross income obtained in each of these years, for each asset or right.

b) The amount pending deduction from the 2021, 2022, 2023 and fiscal years 2024 will be applied in the declaration of 2025 with priority given to the amounts corresponding to the current fiscal year 2025 for these same reasons. The amount to be deducted will be entered in box **[0104]** of the declaration.

For its part, the amount corresponding to the fiscal year **2025** which applies in the declaration will be indicated in the box **[0107]** and the amount that, due to the application of the maximum deduction limit, remains to be deducted will be entered in the box **[0108]** for the purpose of its deduction in the following four years.

In the event that there are several lease contracts in the year for the same property, the maximum limit of the amount to be deducted for interest and maintenance and repair expenses must be calculated taking into consideration the amounts paid in the year and the total income obtained in it, so that, for some of the lease contracts, the amount deducted for interest and maintenance and repair expenses could exceed the income obtained.

Other expenses necessary to obtain returns

Regulations: Articles 23.1 a) 2 to 4 Law IRPFABBR and 13 b) ag) Regulation IRPFABBR

1. Taxes, surcharges and fees

Non-state taxes and surcharges are deductible, as well as state fees and surcharges such as, for example, IBI, fees for cleaning, garbage collection, lighting, etc., provided that:

- a. They affect the computed returns or the assets or rights that produce them.
- b. They are not of a punitive nature.

2. Amounts accrued by third parties as a result of personal services

Amounts accrued by third parties as direct or indirect compensation or as a result of personal services, such as administration, surveillance, concierge, garden care, etc. **are deductible.**

In particular, the fees of the community of owners when it comes to properties under a horizontal property regime.

3. Contract formalization and legal defense costs

Expenses incurred by the formalization of the lease, sublease, transfer or establishment of the right and those of legal defense related to the assets, rights or income are deductible.

4. Doubtful debts

They are deductible in 2025 doubtful balances, provided that this circumstance is sufficiently justified. This circumstance is considered sufficiently justified:

- a. When the debtor is in a situation of bankruptcy.
- b. When more than six months have elapsed between the time of the first collection action carried out by the taxpayer and the end of the tax period, and no credit renewal has occurred.

The deductibility of doubtful debts is conditional upon the prior inclusion of their amount as gross income from real estate capital, since this income is attributed to the tax period in which it is due to the recipient, as provided in article 14.1.a) of the Law of IRPFABBR.

When a doubtful balance is collected after its deduction, it will be computed as income in the year in which said collection occurs.

5. Insurance contract premiums

Premiums for insurance contracts, whether for civil liability, fire, theft, glass breakage or others of a similar nature, on the assets or rights that produce the income are deductible.

6. Services or supplies

Amounts used for services or supplies (water, electricity, gas, internet, etc.) are deductible.

These expenses will only be deductible **to the extent that they are effectively borne and paid by the lessor**, such that, if it were the lessee who pays and bears them, the lessor could not deduct any amount. However, it must be taken into account that, if the amounts of these expenses are passed on to the tenant, they will be computed as full income from the real estate capital, being in turn deductible from said income.

7. Other necessary tax-deductible expenses

In addition to the concepts specifically listed above, any other expenses are considered tax deductible provided they are necessary to obtain the corresponding income.

Important: *With regard to the annual expenses referred to above, only those expenses corresponding to the period of time in which the property is rented and generate income, in the proportion corresponding to the principle of matching income and expenses. Consequently, they are not considered deductible expenses for the purposes of Article 23.1 of the Law on IRPFABBR Those generated during the time the property is not rented, even if it is available for rent (in expectation of rental). Interpretive criterion established by the Supreme Court in the Judgment no. 270/2021, of February 25 (RED: STS 910/2021).*

Amounts intended for amortization

Regulations: Articles 23.1 b) Law IRPFABBR and 13 h) and 14 Regulation IRPFABBR

Amounts used for the amortization of the property and other assets transferred with it are considered deductible expenses, provided that they correspond to its effective depreciation.

Amortization is the way of taking into account the depreciation suffered by properties that generate income due to use or the passage of time.

As for the method of calculation to consider that amortization responds to effective depreciation, we must distinguish:

• Property

In the case of real estate, depreciation will be considered to meet the effectiveness requirement when, in each year, it does not exceed the result of applying the percentage of **3 percent on the highest of the following values**:

1. Acquisition cost satisfied, which will be:

- In the case of properties acquired for **consideration**: the acquisition price, including the expenses and taxes inherent to the acquisition (notary, registry, IVAABBR non-deductible, Property Transfer Tax and Documented Legal Acts, agency expenses, etc.) without including in the calculation the value of the land, as well as the cost of investments and improvements made to the acquired assets.

- In the case of **acquired free of** by inheritance or donation: the value of the property acquired in application of the rules of the Inheritance or Gift Tax or its value verified in these taxes (excluding the value of the land from the calculation), plus the expenses and taxes inherent to the acquisition that correspond to the construction and, where applicable, all the investments and improvements made to the acquired property.

Interpretive criteria established by the Supreme Court (Administrative Litigation Chamber) in its Judgment No. 1130/2021, of September 15 (ROJ : STS 3483/2021).

2. Cadastral value, excluding the value of the land.

When the value of the land is not known, it will be calculated by prorating the acquisition cost paid between the cadastral values of the land and the construction of each year reflected in the corresponding receipt for the Real Estate Tax (IBI).

Limit on accumulated depreciation of real estate

The limit of accumulated amortization will be the acquisition value of the property generating the income. Therefore:

- In the case of acquired goods **for valuable consideration**, the accumulated depreciation may not exceed its acquisition value in accordance with article 35 of the Law of IRPFABBR (excluding the value of the land).

In accordance with the aforementioned article 35 of the Law of IRPFABBR The acquisition value will consist of the sum of:

- a. The actual amount for which the acquisition would have been made.
 - b. The cost of investments and improvements made to the acquired assets and the expenses and taxes inherent to the acquisition, excluding interest, which have been paid by the purchaser.
- In the case of properties acquired **for profit** , the limit of accumulated depreciation, in global computation, may not exceed the acquisition value in accordance with article 36 of the Personal Income Tax Law (excluding the value of the land from the calculation).

According to article 36 of the Personal Income Tax Law, in these cases the actual value of the respective values will be taken as those resulting from the application of the rules of the Inheritance and Gift Tax, without being able to exceed the market value.

In this regard, see the Resolution of the Central Economic-Administrative Court (TEAC), of December 18, 2025, Claim number 00/00653/2025, issued in an extraordinary appeal for the unification of criteria, according to which: "For the calculation in Personal Income Tax of the net income from real estate capital, in the determination of the amount of tax-deductible expenses for depreciation, in the overall calculation, the acquisition value of the property generating the income (excluding the value of the land) must be applied as the limit of the accumulated depreciation, regardless of the annual limit provided for in article 14 of the Regulation of Personal Income Tax, approved by Royal Decree 439/2007, of March 30." Therefore, the accumulated depreciation cannot exceed the acquisition value of the property generating the income, which will be determined by applying Articles 35 and 36 of the Law on IRPFABBR: the acquisition cost of goods acquired for consideration, or the value for the purposes of ISD in assets acquired for profit.

Also, take into account the doctrine established by the Supreme Court in the Seventh Legal Basis of his Judgment no. 1.502/2025, of November 20 (Contentious Chamber), issued in the appeal for cassation no. 7361/2023 (RED: STS 5416/2025), according to which "if the taxpayer did not carry out business or professional economic activities, but obtained income from real estate capital from the transfer of a property and calculated the depreciation in accordance with the provisions of the Ministerial Order of March 27, 1998, when at a later time proceeding to its transfer, he will not have to apply the maximum depreciation of 3% on the acquisition cost paid or the cadastral value and may apply, to determine the acquisition value of the property, a lower one that fits within the concept of minimum depreciation of article 35 of the LIRPF (...)". Therefore, the Taxpayer may deduct, as depreciation, the amount resulting from applying a percentage between 1% (minimum) and 3% (maximum). When the taxpayer subsequently sells the property, the amount previously deducted as depreciation must be subtracted from the capital gain to determine the amount of depreciation previously claimed.

Example:

Mr. RRR acquired by inheritance a property whose value attributed in the settlement of the Inheritance and Gift Tax (ISD) and which appears in the public deed of inheritance award was 100,000 euros.

The costs and taxes inherent to the acquisition (notary, registration, ISD) amount to 2,000 euros.

The cadastral value of the inherited property: 80,000 euros.

The percentage that the value of the land represents in relation to the total value of the property is 20%.

Once inherited, the property was leased to third parties.

Calculate the depreciation corresponding to a property that is rented and the deductible accumulated depreciation limit.

Solution:

1. Calculation of amortization.

The highest of the following values will be taken for the calculation of amortization:

- Acquisition cost satisfied: $80\% \text{ s}/(100,000 + 2,000) = 81,600$
- Cadastral value excluding land value: $(80\% \text{ of } 80,000) = 64,000$

The amount of depreciation deductible as an expense to determine the return on real estate capital may not exceed the result of applying the percentage of 3% to the highest of the above values. In this case, it will be the acquisition cost paid, which includes the value attributed in the settlement of the Inheritance and Gift Tax plus the expenses and taxes inherent to the acquisition (excluding the value of the land from the calculation).

Therefore, in this case the amount of the maximum deductible annual amortization will be 3% of 81,600 euros = 2,448 euros

2. Accumulated amortization limit.

The taxpayer may depreciate the property until the amount of accumulated depreciation reaches the acquisition value of the property which, in accordance with the provisions of article 36 of the Personal Income Tax Law, is the value of the property for the purposes of

ISD (excluding the value of the land from the calculation) plus taxes and expenses inherent to the transfer, that is, $80\% \times (100,000 + 2,000) = 81,600$ euros.

Remember: *In the event that the property has not been rented for the entire year, the deductible amortization, interest and other financing costs, expenses on insurance premiums, community fees, property tax, supplies, etc., will be those corresponding to the number of days of the year in which the property has been rented.*

During periods when the property has not been rented, the imputed real estate income shall be the amount resulting from applying 2 percent or 1.1 percent, as appropriate, to the cadastral value of the property, which proportionally corresponds to the number of days included in said period, in accordance with the provisions of Article 85 of the Law of IRPFABBR.

• Movable assets transferred together with the property

They will be amortizable provided that they can be used for a period of time greater than one year.

The annual deductible amortization for each of the transferred assets shall be deemed to meet the effectiveness requirement when its amount does not exceed the result of applying to its respective acquisition costs the amortization coefficients that correspond to it in accordance with the [simplified amortization table](#) approved by Order of March 27, 1998.

This table includes, among others, the following maximum depreciation coefficient, which for **Installations, furniture and fixtures** is **10 percent**.

• Rights or powers of use or enjoyment over real estate

They will be amortizable provided that their acquisition has entailed a cost for the taxpayer. In these cases it is necessary to distinguish:

- a. **If the right or faculty has a fixed term**, the deductible annual amortization will be the result of dividing the acquisition cost paid by the number of years of duration of the same.
- b. **If the right or faculty is for life**, the computable amortization will be the result of applying the coefficient of 3% on the acquisition cost paid.

In both cases, the amount of deductible amortization in the financial year may not exceed the amount of gross income derived from each right.

Example:

Mr. AST acquired through a sale the right of usufruct over a property for a period of 10 years, paying the sum of 100,000 euros for it. During 2025, the property was rented out, receiving an annual rent of 20,000 euros.

Calculate the depreciation corresponding to a property that is rented.

Solution:

Amortization

- Acquisition cost / duration of usufruct ($100,000 \div 10 \text{ years}$) = 10,000
- Limit on gross income of the right: Annual rental income = 20,000

Full ownership and usufruct of a property: In cases where a taxpayer owns 50% of the full ownership of a property intended for leasing and has usufruct over the remaining 50%, the amortization expense will be calculated differently for the part of the property of which he is the full owner and the part of which he is the usufructuary, taking into account the rules that were indicated previously for each of them.

Compensation for lease contracts prior to May 9, 1985

Regulations: Third transitional provision of the Law IRPFABBR

In determining the income from real estate capital derived from lease contracts entered into prior to May 9, 1985, which do not enjoy the right to a rent review of the contract, the amount corresponding to the amortization of the property will additionally be included as a deductible expense, while this situation persists and as compensation. Thus, in these situations, the amortization expense may be computed twice: once as a tax-deductible expense in accordance with the rules for determining net income from leased properties discussed above, and once again as compensation.

Non deductible expenses

The following will not be deductible as expenses, among others:

- Payments made due to incidents involving real estate that result in decreases in the value of the taxpayer's assets.
- The amount of improvements made to real estate, without prejudice to the recovery of their cost through depreciation.

The concept of improvement is not expressly contemplated in the Personal Income Tax regulations. However, the Resolution of March 1, 2013, of the Institute of Accounting and Auditing of Accounts, which establishes rules for the registration and valuation of tangible fixed assets and real estate investments, in its second rule understands "improvement" as the set of activities through which an alteration is produced in an element of the fixed assets, increasing its previous productive efficiency.

Therefore, it should be understood that repairs and maintenance are those intended to maintain the useful life of the property and its productive or usable capacity, while improvements should be considered those that result either in an increase in the capacity or habitability of the property, or in an extension of its useful life.

Net performance

Net income is made up of the difference between gross income and deductible expenses in the terms discussed above, as represented in the following diagram:

(+) Gross returns:

- The amount that the purchaser, transferee, lessee or sub-lessee must pay for all concepts, including, where applicable, the amount corresponding to all those assets transferred with the property
- In the absence of proof or in the case of related-party transactions, the valuation of said returns will be carried out at their normal market value.
- When received from family members, whether spouses or relatives, including in-laws, up to the third degree inclusive, the total net income may not be less than the imputed income derived from said property.

(-) Expenses necessary to obtain income (excluding VAT or IGIC if the lease is subject to and not exempt from IVAABBR):

- Interest and other financing costs
- Maintenance and repair costs
 - **Limit of the two previous expenses:** They may not exceed, for each asset or right, the amount of the gross income obtained
 - **Exceeding the limit:** The excess can be deducted in the following four years.
- Taxes, surcharges and fees
- Doubtful debts
- Insurance contract premiums
- Supplies
- Contract formalization costs
- Legal defense expenses.
- Amounts accrued by third parties as a result of personal services (including administration, concierge).
- Other necessary tax-deductible expenses

(-) Amounts allocated to amortization:

- Property: 3 percent on the highest of the following values:
 - a. Acquisition cost satisfied corresponding to the construction
 - b. Cadastral value, excluding the value of the land
 - Personal property transferred together with the property: Order of March 27, 1998
 - Rights or powers of use or enjoyment over real estate
 - a. Fixed-term: acquisition cost divided by the number of years of duration.
 - b. Lifetime: 3% of the acquisition cost paid
- Amortization expense limit in this case :** the full returns derived from each right or faculty

(=) Net return on real estate capital

Remember: The total amount to be deducted for the interest on third-party capital invested in the acquisition or improvement of the asset, right or enjoyment from which the income comes, and other financing expenses, as well as repair and maintenance

expenses, may not exceed, for each asset or right, the amount of the total income obtained.

Net Yield Reductions

Leasing of properties intended for housing

Regulations: Art. 23.2 Law IRPFABBR

Delimitation of "leasing of a property intended for housing" :

It is considered that this is a lease of a property intended for housing when, in accordance with the provisions of article 2 of Law 29/1994, of November 24, on Urban Leases (LAU), the lease falls on "a habitable building whose primary purpose is to satisfy the permanent housing need of the tenant."

For its part, it must be taken into account that article 3 of the LAU provides that "a lease for use other than housing is considered to be a lease that, falling on a building, has as its primary purpose a purpose other than that established in the previous article." He added that "in particular, urban property leases held for a seasonal period, whether summer or any other, will be considered as such." Therefore, in no case will the indicated reduction be applicable when the property is leased for a season, be it summer or any other.

Clarification: a rental of housing to a legal entity

As a general rule, the aforementioned reduction is not applicable if, as a legal entity, the requirements are not met: the property must be used as a dwelling and its exclusive use must be vested in the individual specified in the lease agreement.

This reduction is also not applicable when the property is leased to a company for the general purpose of use by "its employees."

However, the reduction will apply to net income derived from the leasing of real estate when the lessee is a legal entity and it is proven that the property is used as a residence for certain individuals. That is, when from the first moment the purpose of the lease is fully identified in the terms required by the Law of IRPFABBR confirming the exclusive use of the dwelling for a specific individual (Criterion established by the Central Economic-Administrative Court, in its Resolution of September 8, 2016, in an extraordinary appeal for the unification of criteria).

In the case of **leasing of real estate for residential purposes, the positive net income** , calculated by the difference between the total gross income and the necessary expenses that are considered deductible in the terms previously mentioned, **will be reduced by one of the following percentages**, depending on the date on which the contract was signed:

Note: From January 1, 2024, new percentages apply reduction for the rental of properties intended for housing for contracts that have been entered into after May 26, 2023, in accordance with the Ninth Final Provision of Law 12/2023, of May 24, on the right to housing (BOE May 15).

A. Residential lease agreements entered into on or after May 26, 2023

As a general rule, a reduction of **50 per 100** is set.

However, one of the following increased percentages may be applied instead if all of the following requirements are met at the time of entering into the contract:

- a. In **90 per 100** when the same landlord has formalised a new lease agreement for a home located in **areas with a stressed residential market**, in which **the initial rent has been reduced by more than 5 per 100** in relation to the last rent of the previous lease agreement for the same home, once the annual update clause of the previous agreement has been applied, where applicable.
- b. In a **70 per 100** when, not fulfilling the requirements of the previous letter, any of the following circumstances occur:
 - When the tenant is a **natural person** :
 - That the landlord rents the property for the first time, and
 - That the property is located in an area with a stressed residential market and,
 - That the tenant is between 18 and 35 years old.

When there are several tenants in the same dwelling, this reduction will be applied to the portion of the net income that proportionally corresponds to the tenants who meet the requirements set forth in this letter.

- When the tenant is a **Public Administration or non-profit entity** to which the special regime regulated in Title II of Law 49/2002, of December 23, on the tax regime of non-profit entities and tax incentives for patronage, applies, which uses the home for any of the following purposes:
 - To social rental with a monthly rent lower than that established in the rental assistance program of the state housing plan, or
 - To the accommodation of people in a situation of economic vulnerability referred to in Law 19/2021, of December 20, which establishes the minimum vital income, or
 - When the home is covered by a public housing or qualification program under which the competent Administration establishes a limitation on the rental income.

- c. In a **60 per 100** when, not fulfilling the requirements of the previous letters, the dwelling had been the subject of a rehabilitation action that had been completed in the two years prior to the date of the signing of the contract.

For these purposes, the concept of rehabilitation provided for in paragraph 1 of Article 41 of the Regulation shall apply. IRPFABBR.

Clarifications:

- The reduction will be applicable as long as the previously established requirements continue to be met.
- The areas of stressed residential market to which this reduction may apply will be those included in the resolution that, in accordance with the provisions of the state legislation on housing, is approved by the Ministry of Housing and Urban Agenda.

You can check out these areas of stressed residential market at the following link:

<https://www.mivau.gob.es/vivienda/alquila-bien-es-tu-derecho/serpavi/consultar-zonas-de-mercado-residencial-tensionado>

- Under no circumstances will these reductions apply to lease contracts that violate the provisions of section 6 of article 17 of the Urban Leasing Law.

B. Residential lease agreements signed before May 26, 2023

The net income from real estate capital derived from these contracts will be subject to the reduction of **60%**, as provided for in section 2 of article 23 of the Personal Income Tax Law in its wording in force as of December 31, 2021.

These reductions will only be applicable to positive net income that has been calculated by the taxpayer in a self-assessment filed before a data verification, limited verification, or inspection procedure has been initiated that includes verification of such income.

In no case will the reduction apply to the part of the positive net income derived from **income not included or expenses improperly deducted** in the taxpayer's self-assessment and **that are regularized** in any of the procedures mentioned in the previous paragraph, even when these circumstances have been declared or accepted by the taxpayer during the processing of the procedure .

Please note that the judgment of TS 1312/2020 (appeal 1434/2019), based on the distinction between declaration and self-assessment, established as an interpretive criterion in relation to the wording prior to July 11, 2021, which provided that the 60% reduction "was only applicable with respect to the income declared by the taxpayer", that said reduction was not lost due to not having included the income in the self-assessment and, therefore, that taxpayers could, when regularized, include undeclared income and request the application of the 60% reduction on the resulting net income.

As a consequence of the aforementioned interpretative criterion established by the Supreme Court ruling 1312/2020 and, in order to definitively clarify that the reduction for the rental of real estate intended for housing cannot be applied to the positive net income calculated during the processing of a verification procedure, the wording of article 23.2 of the Law was modified accordingly, with effect from July 11, 2021. IRPFABBR by article 3.three of Law 11/2021, of July 9, on measures for the prevention and fight against tax fraud, transposing the Directive (EU) Council Regulation (EC) No 2016/1164 of 12 July 2016 laying down rules against tax avoidance practices which directly affect the functioning of the internal market, amending various tax rules and rules on gambling.

Tourist rentals:

The reductions provided for in Article 23.2 of the Personal Income Tax Law do not apply to tourist rentals, as they are not intended to satisfy a permanent housing need but rather a temporary one. See in this regard the Resolution of the Central Economic-Administrative Court (TEAC), dated March 8, 2018, Claim number 00/05663/2017 , issued in an extraordinary appeal for unification of criteria.

Until 31 January 2024, Article 54 ter of the General Regulation on actions and procedures for tax management and inspection and for the development of common rules for tax application procedures, approved by Royal Decree 1065/2007 of 27 July, as amended by the Second Final Provision of Royal Decree 366/2021 of 25 May, independently regulated the obligation to report on the transfer of the use of homes for tourist purposes, specifically targeting collaborative platforms that mediate in the transfer.

The declaration was submitted using Form 179, approved by Order HAC /612/2021, of June 16, on an annual basis, between January 1 and 31 of each year, in relation to the information and operations corresponding to the immediately preceding calendar year.

As of February 1, 2024, this reporting obligation is included within the new reporting obligation for certain activities by platform operators. For this reason, Form 040 "Census declaration of , modification and deregistration in the register of non qualified foreign platform operators and in the register of other platform operators required to communicate information" and Form 238 "Informative declaration for the communication of information by platform operators" have been approved by Order ##1## HAC ##1## /72/2024, of February 1, so that for the year 2024 and following years, the obligation to submit the informative declaration on the transfer of use of homes for tourism purposes (form 179) is eliminated.

Summary table: Reductions for housing rentals under Article 23.2 of the Personal Income Tax Law applicable in 2025

Contract date	Percentage of positive newborns	Requirements for the application of each reduction percentage
Contracts prior to May 26, 2023	60 percent	In general. Current wording as of 31-12-2021
Contracts from May 26, 2023	90 percent	- Whether it is a new contract for a property that has already been rented, - That the property is located in an area of a stressed residential market, and - That the rent be reduced by more than 5% in relation to the last rent of the previous contract once the annual update has been applied.
	70 percent	When the above requirements are not met, any of the following circumstances occur: a. If the tenant is a natural person: - That the taxpayer rents the home for the first time, - That the property is located in an area with stressed residential market, and - That the tenant is between and years old. b. If the lessee is a Public Administration or non-profit entity under Law 49/2002 , that the lease has any of the following purposes: - Social rental with a monthly rent lower than that of the rental assistance program of the state housing plan - Accommodation for people in situations of economic vulnerability - Housing covered by a public housing program or qualification under which the competent Administration establishes a limitation on the rental income.
	60 percent	When the above requirements are not met, actions are taken rehabilitation of Article 41.1 of the Regulations of IRPFABBR completed 2 years prior to the signing of the contract.
	50 percent	For all other leases.

Returns with a generation period of more than two years or obtained in a notoriously irregular manner over time

Regulations: Articles 23.3 Law IRPFABBR and 15 Regulation IRPFABBR

Yields to which it applies and percentage of reduction

Once the reduction for leasing of properties intended for residential purposes has been applied, if applicable, % reduction in the resulting net income may be made in the following cases:

- a. **Net income whose generation period is greater than two years, provided that it is attributed to a single tax period.**
- b. **Net income obtained in a notoriously irregular manner over time, when they are imputed in a single tax period .**

They are considered to be real estate capital returns *obtained in a notoriously irregular manner* over time. exclusively the following:

- Amounts obtained from the **transfer or assignment** of the lease agreement for business premises.

In the case of transfer or assignment of the lease contract for business premises, it must be specified that the amount received by the owner of the property, that is, the owner or the holder of a right of enjoyment over it, is considered to be income from real estate capital obtained in a notoriously irregular manner over time.

However, the amount received by the tenant for the transfer or assignment of the lease contract, not being the owner of any real rights over the property, does not constitute income from real estate capital, but rather capital gain. See the example contained in Chapter 11 on determining capital gains in the cases of [transfer or assignment of the lease contract for business premises](#).

- **Compensation** received from the tenant, subtenant or assignee for damage or defects in the property.
- Amounts obtained from the constitution or transfer of **rights of use or enjoyment** of a lifelong nature.

Maximum amount of performance to which the reduction applies

Once the reduction for housing rental has been applied, if applicable, the amount of the resulting net income on which the 30% reduction will be applied may not exceed the amount of **300,000 euros per year** .

Please note that in the event of positive and negative irregular returns, the maximum base of the reduction will be their algebraic sum.

In the event that several irregular returns of the same nature are obtained, and their amount exceeds the limit of 300,000 euros of maximum amount on which to apply the 30% reduction, the maximum reduction will be distributed **proportionally** among all the returns of that nature.

Income received in installments before January 1, 2015. Transitional scheme

Regulations: Twenty-fifth transitional provision. Law 3 IRPFABBR

Income that was received in installments prior to 1 January 2015 with the right to apply the reduction for income with a generation period of more than two years or obtained in a notoriously irregular manner over time provided for in article 23.3 of the Law of IRPFABBR, in its wording in force as of December 31, 2014, may apply the current reduction of 30 percent with the limit of the maximum reduction base of 300,000 euros, to each of the fractions that are imputed from January 1, 2015, provided that the quotient resulting from dividing the number of years of generation, computed from date to date, between the number of tax periods of fractionation, is greater than two.

However, in the case of income derived from commitments acquired prior to 1 January 2015, which were scheduled to begin being collected in installments in tax periods beginning on or after that date, the substitution of the initially agreed method of collection for collection in a single tax period will not alter the start of the period for generating the income.

Minimum computable income in case of relationship

Regulations: Articles Law 24 and 85 IRPFABBR

When the purchaser, assignee, lessee or sub-lessee of the real estate or the real right that falls on it, is the spouse or a relative of the taxpayer, including those by marriage, up to the third degree inclusive, the total computable net income may not be less than the amount that would result from the application of the special regime of imputation of real estate income to the real estate or real right in question.

According to this special regime, **the minimum total net return may not be less than** that resulting from applying:

- **2 percent** to the cadastral value corresponding to the property in each tax period.
- He **1.1 percent** of the cadastral value during 2025 if it concerns urban properties located in municipalities where the cadastral values have been revised or modified, or determined by a general collective valuation procedure, in accordance with the cadastral regulations, provided that they have come into force from 1 January 2012, as well as in 2023 and 2024.
- The percentage of **1.1 per 100** will also be applied in the event that, on the date of accrual of the personal income tax (normally December 31), the property has no cadastral value or said value has not been notified to its owner, although said percentage will be applied to 50% of the highest of the following values:
 - a. Value verified by the Administration for the purposes of other taxes.
 - b. The price, consideration or value of the acquisition.

If there are several tenants of the property, this special regime applies to the part of the net income that corresponds to family members who have the legally established degree of kinship.

If the net income corresponding to the lease or transfer of the property, once the previously mentioned reductions have been applied to it, if applicable, is less than the minimum income, this last amount will be recorded in box **[0152]** of the declaration.

Reduced net yield

The reduced net return on real estate capital corresponding to each of the properties producing said returns is, in general, the result of applying to the net return the [reductions](#) that correspond to those previously mentioned and which are then represented in the following diagram:

(=) PREVIOUS NET YIELD

(-) **Reduction for housing rent (90%, 70%, 60% or 50%, as the case may be%)** , only applicable:

- In the case of **properties intended for housing**.
- For **positive net income** that has been calculated by the taxpayer in a **self-assessment filed** before a data verification, limited verification or inspection procedure has been initiated that includes the verification of such income.

(-) **Reduction of returns with a generation period of more than two years or obtained in a clearly irregular manner when they are imputed in a single fiscal year (30%)**.

- **Maximum reduction base: 300,000 euros.**
- Transitory rules: fractional perception of the returns prior to 1-1-2015.

(=) REDUCED NET YIELD

When the purchaser, assignee, lessee or sub-lessee of the real estate or the real right that falls on it is a family member, in the terms previously discussed, the reduced net income will be the greater of the following two amounts:

- Net income corresponding to the leasing or transfer of the property, once the reductions arising from those previously mentioned have been applied to it, where applicable.
- The minimum computable income for the aforementioned property in the case of kinship.

Example:

Mr. SPT has had a commercial premises and two homes of its own rented out throughout the year, with the respective gross income and deductible expenses for the 2025 financial year amounting to the following amounts:

Information	Housing 1	Housing 2	Premises
Gross income	6.865	7,980	10.230
reparation and conservation	2.150	9.210	5.890

Information	Housing 1	Housing 2	Premises
Taxes, surcharges and fees (IBI)	500	900	350
Community of owners	580	1.385	540
Amortization of real estate (*)	200	300	320

(*) The amounts allocated to the amortization of the properties have been calculated by applying 3% of the cadastral value of the properties. [\(Back\)](#)
Determine the reduced net return on real estate capital for the year 2025, knowing that the lease agreements were entered into on September 1, 2023.

Solution:

1. Determination of the net return on real estate capital from leased properties.

Information	Housing 1	Housing 2	Premises
Gross income	6.865	7,980	10.230
reparation and conservation	2.150	7,980 (1)	5.890
Taxes, surcharges and fees (IBI)	500	900	350
Community of owners	580	1.385	540
Amortization of real estate	200	300	320
Net performance	3.435	-2.585	3.130

2. Reduction in income from leasing of dwellings 1 and 2:

Information	Housing 1	Housing 2
Net performance	3.435	-2.585
Reduction of Article 23.2 of the Law IRPFABBR	1,717.5	0 (2)
Reduced net yield	1,717.5	-2.585

3. Sum of reduced net returns on real estate capital: $[1,717.5 + (-2,585) + 3,130] = 2,262.5$

Notes to the example:

(1) The total amount to be deducted for the repair and maintenance costs of "home 2" cannot exceed the amount of the gross income obtained from said home. The excess ($9,210 - 7,980 = 1,230$) may be deducted in the following four years, without the deduction being able to exceed, together with the expenses for these same concepts corresponding to each of these years, the amount of the gross income obtained from the rental of said property.

[Return](#)

(2) Since this is a contract signed on September 1, 2023 (i.e., after May 26, 2023), and none of the requirements for applying the 90, 70, or 60 percent reductions are met, the 50 percent reduction would apply. However, the aforementioned reduction applies if the net income derived from the property is positive. Therefore, in this case, since the net income derived from the property or right is negative, the reduction will not apply. [\(Back\)](#)

Individualization of real estate capital returns

Regulations: Art. 11.3 Law IRPFABBR.

The returns on real estate capital correspond to the persons who are **owners of the real estate, or of the real rights thereto**, from which they come. Therefore, it will be the aforementioned holders who must include the corresponding income in their tax return. IRPFABBR.

In the case of real rights of enjoyment, the entire yield must be attributed to the owner thereof. Therefore, if there is a usufruct, the full yield must be declared by the usufructuary and not the bare owner.

When of the assets or rights is not duly accredited, the tax authorities shall have the right to consider as the owner the person who appears as such in a tax register or in any other public register.

In cases where ownership belongs to several people, the income corresponding to the real estate or right in question will be considered to be obtained by each of them in proportion to their participation in said ownership. Consequently, each of the co-owners must declare as income the amount resulting from applying to the total income produced by the property or right the percentage that represents their participation in the ownership thereof.

Marriages: *In the case of marriage, the income from the assets and rights that, in accordance with the provisions regulating the economic regime of the marriage, are common to both spouses, will correspond equally to each of them (unless another different share of participation is justified). Income from property or rights that, in accordance with the same rules, are the exclusive property of either spouse, shall correspond entirely to that spouse.*

For these purposes, see articles 1,346 and 1,347 of the Civil Code.

Temporary imputation of real estate capital returns

General rule

Regulations: Art. 14.1 a) Law IRPFABBR

As a general rule, real estate capital gains, both income and expenses, must be attributed to the tax period in which they are **payable** by their recipient, regardless of when the income was collected and the expenses were paid.

Special rules

1. Estimated returns on real estate capital

Regulations: Art. 14.2 f) Law IRPFABBR

Estimated income from real estate capital and income derived from related-party transactions will be allocated to the **tax period in which they are deemed to have occurred**. This fiscal year will be the one in which the services of goods or rights capable of generating income of this nature have been carried out.

2. Yields pending court ruling

Regulations: Art. 14.2 a) Law IRPFABBR

Notwithstanding the foregoing, when all or part of an income has not been paid because the determination of the right to its collection or its amount is pending a judicial resolution (not merely a lack of payment), the unpaid amounts **will be charged to the tax period in which the judicial ruling becomes final**, even if they have not been collected in said fiscal year.

Special cases of integration of income pending imputation

1. Loss of taxpayer status due to change of residence

Regulations: Art. 14.3 Law IRPFABBR

In the event that the taxpayer loses their status due to a change of residence, all income pending imputation must be included in the taxable base corresponding to the last tax period that must be declared for this tax, under the conditions established by regulation, carrying out, where appropriate, a corrective self-assessment, as appropriate, without penalty or late payment interest or any surcharge.

However, when the transfer of residence takes place to another Member State of the European Union, the taxpayer may choose to impute the outstanding income in accordance with the provisions of the preceding paragraph, or to submit, as each of the outstanding income items is obtained, an amended self-assessment, as appropriate, without penalty, late payment interest or any surcharge, corresponding to the last period that must be declared by the IRPFABBR. The self-assessment must be submitted within the declaration period for the tax period in which said income should have been imputed had the loss of taxpayer status not occurred.

2. Death of the taxpayer

Regulations: Art. 14.4 Law IRPFABBR

In the event of the taxpayer's death, all income pending imputation must be included in the tax base of the last tax period to be declared.

Real estate declaration

General considerations

The real estate owned or usufructuary by the taxpayer may have one or more uses or purposes during the tax year, and these uses determine whether or not income subject to tax is obtained. IRPFABBR such as the type of taxable income that must be declared (for example, a property that, in whole or in part, has been leased, subleased or transferred to third parties during the year, thereby giving rise to income from real estate capital, and which has also remained successively or simultaneously at the disposal of the taxpayer, giving rise to imputation of real estate income).

For this reason, section "C" of the declaration under the title "List of real estate and income derived from real estate at the disposal of its owners, leased or transferred to third parties, or used for economic activities" is intended to identify each property, property of the taxpayer or the person holding the right of usufruct, and its uses during the year, collecting the necessary information to declare the income from real estate capital and the [imputed real estate income](#) that corresponds to them.

Particular data of each property

In general

- a. **Indication of the taxpayer who owns the property, box [0062]** . In joint declarations, if the property belongs equally to both spouses, the expression "Common" will be entered in this box. Otherwise, the member of the family unit who holds full or partial ownership of the property will be stated, "First declarant", "Spouse", "Child 1", "Child 2", etc.
- b. **Ownership percentage, box [0063]** . The ownership percentages to be recorded will be expressed in whole numbers with two decimal places.
- c. **Percentage of usufruct, box [0064]** . The usufruct percentages to be recorded will be expressed in whole numbers with two decimal places.
- d. **Situation, box [0065]** . The indicative code that corresponds in each case to the location of the property will be recorded, according to the following relationship:

Password	Situation
1	Property with a cadastral reference located anywhere in Spanish territory, with the exception of the Autonomous Community of the Basque Country and the Foral Community of Navarre.
2	Property with land registry reference in the Autonomous Community of the Basque Country.

Password	Situation
3	Property with land registry reference in the Autonomous Community of Navarre.
4	Property located anywhere in Spanish territory, but without having been assigned a cadastral reference.
5	Property located abroad.

e. **Cadastral reference, box [0066]** . If "Key 1", "Key 2" or "Key 3" has been entered in the box corresponding to "Location", the property's cadastral reference must be entered in the corresponding box. This information appears on the Property Tax (IBI) receipt. The cadastral reference can also be obtained from the electronic headquarters of the General Directorate of Cadastre, at the address " <http://www.sedecatastro.gob.es> ", or by calling the Cadastre Hotline (telephone 902 373 635).

f. **Nature** . The box that corresponds to the nature or character of the urban or rural property will be marked with an "X":

Box [0067] Urban property.

Box [0068] Rustic property.

To determine the urban or rural character of the properties, the provisions of article 7 of the consolidated text of the Real Estate Cadastre Law, approved by Royal Legislative Decree 1/2004, of March 5 (BOE of March 8) will be followed.

g. **Address, box [0069]** . The address of the property listed in this section will be entered in this box.

h. **Use or purpose of the property** . All uses that the property has had during 2025 will be marked with an "X". These uses can be:

- **Taxpayer's main residence in 2025, box [0070]**. In this case, the number of days that the dwelling has been considered as such must be entered in box [0076]
- **Housing where, in cases of separation or divorce, the children and/or the ex-spouse reside, box [0071]** . Property of which the taxpayer is the full or partial owner, but which constitutes the habitual residence of his or her former spouse because the exclusive use of the same was assigned to him or her in the resolution or judgment of legal separation or divorce.

In this case, the NIF or the NIE of the previous spouse must be entered in box [0077] ## and, if there is none, this circumstance must be marked with an X in box [0078] . In addition, the number of days that the home has been used for this purpose must be indicated in box [0079]

- **Property affected by economic activities, box [0072]** . Property that has at any time during the fiscal year been considered assets related to economic activities or has been the subject of a business lease, either directly or as a result of participation in an entity under an income attribution regime (giving rise in the latter case to the obtaining of income from movable capital to be included in the general tax base).

Once this use or destination has been indicated, the taxpayer must indicate in box **[0080]** when it is a property used for economic activities the number of days on which it has had this use and in box **[0081]** the taxpayer who carries out the economic activity.

However, if it is a real estate property that is the subject of a business lease, the number of days that it has been used for this purpose will be indicated in box **[0082]** .

- **Available to its holders, box [0073]**. Property that has remained at the disposal of its owners, thereby giving rise to the imputation of real estate income.
- **Lease as accessory property, box [0074]** . Property leased, subleased or transferred to third parties, together with another property that constitutes the main object of the lease, sublease or transfer, when the portion of the consideration that corresponds individually to each of them is not specified (for example, a parking space leased together with a home for a single amount).
- **Lease, box [0075]** . Property that has been leased, subleased or transferred to third parties, thereby giving rise to the obtaining of real estate capital returns.

In particular

Properties available to their owners

In the case of properties at the disposal of their owners, the following data must be recorded for each of them:

- a. Part of the property that is available, box **[0087]** : If the entire property has remained at the taxpayer's disposal during the year, 100% will be recorded.

When, due to simultaneous use or destination of the property, only a part of it, such as, for example, a single floor of the building, has remained at the disposal of the taxpayer, the percentage, expressed with two decimal places, that represents the surface area of said part in relation to the total surface area of the property will be indicated.

- b. Computable period (number of days), box **[0085]** : 365 will be recorded when the property has remained at the taxpayer's disposal throughout the year. Otherwise, the number of days that the property has been at the taxpayer's disposal will be expressed.

In the exceptional case that the property is, on the same days, partly at the taxpayer's disposal and partly used for other purposes, an X will be marked in box **[0086]** , indicating the number of days that it has been at the taxpayer's disposal in box **[0088]** .

- c. Amount of [imputed real estate income](#) , box **[0089]** .

Amortization of accessory leased properties

This section must only be completed in cases where the properties are rented together with the main property in a single contract in which it is not clear which part of the price corresponds to each of them. For example, when a dwelling is rented in a single contract and for a single price, together with the storage room and the garage, the storage room and the garage will be accessory properties.

The purpose is to identify what the accessory property is, to gather information about the main property on which it depends, and to determine that the deductible depreciation that, where applicable, corresponds to the accessory property complies with the provisions of article 14.2.a) of the Regulations of IRPFABBR.

Properties leased or transferred to third parties and the creation or transfer of rights or powers of use or enjoyment over them

The declaration of the total computable income, deductible expenses, net income, reductions in net income, as well as, where applicable, the minimum computable income in the case of kinship that applies will be made in boxes **[0102]** to **[0154]** in accordance with what is discussed for each of them in the respective sections of this same Chapter.

For each of the properties, except in the case of rental for tourist purposes or leasing of premises, the NIF / NIE of the tenant or tenants and the date of the lease agreement must be recorded. If applicable, if you have entered a NIF of the tenant from another country, this will be indicated by checking the corresponding box.

In addition, to speed up the processing of refunds to which taxpayers may be entitled and to reduce the number of requests, Annex "D" can be used, which must be completed voluntarily, in which taxpayers may record the NIF of the suppliers of certain expenses, as well as their amount.

Note: Real estate leased or transferred to third parties by entities under the income attribution regime of which the taxpayer has been, during the 2025 financial year, a partner, joint owner or participant will not be included in section C of the declaration.

These properties must be reflected in the section "List of real estate leased or transferred to third parties by entities under the income attribution regime" of the "Income attribution regime" section E of the declaration, where the taxpayer who owns the property will be stated for each property (box **[1614]**), the percentage of ownership (box **[1615]**), urban or rural nature (boxes **[1616]** and **[1617]**), location (box **[1619]**), cadastral reference (box **[1620]**) and NIF of the entity under the income attribution regime (box **[1621]**).

Practical case

The marriage composed by Mr. RJR and Mrs. MAT, resident in Barcelona, has had leased in 2025 three properties owned by him under the conditions set out below. The relationship between income, expenses and other data of interest for determining net income are those indicated in each of the assumptions.

It is requested to determine the reduced net return on real estate capital corresponding to said homes in the year 2025, in the case of joint taxation.

1. Rented housing in a non-stressed area.

The property in question was rented from January 1, 2021 to May 31, 2021. 2025, whose tenants left, for a monthly rent of 900 euros. June 1st 2025 He signed a new contract agreeing to a monthly rent of 1,000 euros.

The house was purchased in 2000 for an amount equivalent to 120,000 euros plus 9,000 euros in expenses. To acquire it, they took out a mortgage loan from Bank "Z" which they have been paying off over the course of 2025 the amount of 400 euros in interest and 2,200 euros in principal repayment. The cadastral value of said property, which was revised in 2012, amounts to 76,200 euros, of which 37,080 euros correspond to the value of the land and 39,120 euros to the value of the construction, according to the data shown on the IBI receipt for the year. 2025, its cadastral reference being 5661402VK4757B0033LR.

The cost of acquiring the furniture that the house contains, according to the invoice from 2017, amounts to 8,500 euros. Expenses paid in 2025 The following have been the details regarding said property:

- Real Estate Tax (IBI): 320
- Community: 900
- Plastering of the facade: 500

Solution to the case of rented housing in a NON-stressed area :

Note: In accordance with the ninth Final Provision of Law 12/2023, of May 24, on the right to housing (BOE of May 15), the new percentage reductions for the rental of properties intended for housing are applicable from January 1, 2024 for contracts signed after May 26, 2023.

Full income corresponding to the first contract (from January 1st to May 31st) 2025)
 $(900 \times 5) = 4,500$

Full income corresponding to the new contract (from June 1st to December 31st) 2025) $(1,000 \times 7) = 7,000$

NOTE: To complete it in the Renta web program, you must register as many leases as contracts you have had on the same property during the fiscal year, entering the data corresponding to each one individually.

Total income: $4,500 + 7,000 = 11,500$

Deductible expenses :

- Interest on capital invested in the acquisition of housing (mortgage loan) (1): 400
- Repair and maintenance costs (1): 500
- Taxes, surcharges and fees (IBI): 320
- Community fees: 900
- Amortization:
 - * Housing ($3\% \times 66,228.60$) (2) = 1,986.86
 - * Furniture (10% off 8,500) (3) = 850

Total deductible expenses: 4,956.86

Net income (11,500 – 4,956.86) = 6,543.14

- From January 1st to May 31st 2025: $4,500 - (4,956.86 \times 5/12) = 2,434.64$
- From June 1st to December 31st 2025: $7,000 - (4,956.86 \times 7/12) = 4,108.50$

Reduction for housing rental:

- Regarding the performance obtained under the first contract (prior to May 26, 2023): $(60\% \times 2,434.64) = 1,460.78$
- Regarding the performance obtained as a result of the current contract: $(50\% \times 4,108.50) = 2,054.25$

Reduced net performance: (6,543.14 - 1,460.78 - 2,054.25) = 3,028.11

Note: as a consequence of the thirty-eighth transitional provision of the Personal Income Tax Law, introduced by Law 12/2023, of May 24, for the right to housing, to the positive net income from real estate capital derived from housing lease agreements that have been **held prior to May 26 of 2023**, the reduction provided for in section 2 of article 23 of this law in its wording in force on 31 December 2021 will apply to them, therefore, in the case presented, 60% corresponds to the part of the income obtained as a result of the contract entered into in 2021, until 31 May of 2025.

The performance obtained after the signing of the contract on June 1st 2025 That is, after May 26, 2023, the 50 percent percentage applies to it because it does not meet the requirements for the application of the increased reduction percentages.

Had the previous contract (the one entered into before May 26, 2023) remained in force, the applicable percentage on the positive net return would have been in effect throughout the entire tax period. 2025 the 60 percent one (wording in force as of 31-12-2021).

Notes to the solution of rented housing in a NON-stressed area :

(1) The total amount to be deducted for interest on external capital invested in the acquisition of the property and the costs of repair and maintenance of the property will be limited to the amount of the gross income obtained. The excess may be deducted in the following four years (Article 23.a).1 of the Law of IRPFABBR). In this case, the total amount ($400 + 500 = 900$ euros) is much lower than the total income (11,500 euros). ([Return interests](#)) ([Return repair costs](#))

(2) To determine the amounts allocated to the amortization of the property, the following data is taken into account:

- Cadastral value: 76,200 euros
- Cadastral value of construction: 39,120 euros
- % cadastral value of construction/cadastral value $[39,120 \div 76,200] \times 100 = 51.34\%$
- Acquisition cost (including expenses associated with the purchase) $(120,000 + 9,000) = 129,000$ euros
- Acquisition cost, excluding land value $(129,000 \times 51.34\%) = 66,228.60$ euros

According to article 14.2.a) of the Personal Income Tax Regulations, the amortization may not exceed, in each year, the result of applying 3% to the highest of the following values: cadastral value of construction (39,120 euros) or acquisition cost, excluding land (66,228.60 euros). [\(Back\)](#)

(3) According to article 14.2.b) of the Personal Income Tax Regulations, the amortization may not exceed, in each year, the result of applying to the acquisition costs paid for the acquisition of the furniture (transferred together with the home) the amortization coefficients determined in accordance with the simplified amortization table approved by Order of March 27, 1998, referred to in article 30.1.^a of the aforementioned Regulation, that is, 10%. [\(Back\)](#)

2. Leased housing in stressed area

The property located in Granollers (Barcelona) has been rented since April 1st. 2025 for 650 euros per month.

It was acquired in 2003 for an amount equivalent to 70,000 euros, plus 3,000 euros in expenses. To acquire it, they took out a mortgage loan from Bank "Z" which they have been paying off over the course of 2025 the amount of 200 euros in interest and 1,200 euros in principal repayment. The cadastral value of said property, which was reviewed in 2012 The total amounts to 46,200 euros, of which 17,080 euros correspond to the value of the land and 29,120 euros to the value of the construction, according to the data shown on the property tax receipt for the year. 2025, its cadastral reference being 4927802TG3442F0088ZR.

The cost of acquiring the furniture installed in the home, according to the invoice from 2018, amounts to 6,900 euros. Expenses paid in 2025 The following have been the details regarding said property:

- Real Estate Tax (IBI): 260
- Community: 850
- Plastering of the facade: 210

The property was rented during the four previous years up to December 31 2024 for a rent that amounted to 700 euros per month (therefore, it has been available to its owners from January to March of 2025). Mr. RJR and Mrs. MAT, aware of the new tax incentives for leasing residential properties, have taken advantage of the formalization of the new contract to reduce the monthly rent for the new tenant to 650 euros per month, in order to take advantage of the application of a higher reduction percentage.

Solution to the case of rented housing in a stressed area :

Total income $(650 \times 9) = 5,850$

Deductible expenses :

- Interest on capital invested in the acquisition of housing (mortgage loan) [\(1\)](#) : $200 \times 9/12 = 150$

- Repair and maintenance costs [\(1\)](#): Repair and maintenance costs: $210 \times 9/12 = 157.50$
- Taxes, surcharges and fees (IBI): $260 \times 9/12 = 195$
- Community fees: $850 \times 9/12 = 637.50$
- Amortization:
 - * Housing $(3\% \times 45,990) \times 9/12$ [\(2\)](#) = 1,034.78
 - * Furniture $[(10\% \text{ off } 6,900) \times 9/12]$ [\(3\)](#) = 388.13

Total deductible expenses: 2,562.91

Net income $(5,850 - 2,562.91) = 3,287.09$

Reduction for housing lease $(90\% / 3,287.09) = 2,958.38$

Reduced net yield: $(3,287.09 - 2,958.38) = 328.71$

Notes on the solution for rented housing in a stressed area :

(1) The total amount to be deducted for interest on external capital invested in the acquisition of the property and the costs of repair and maintenance of the property will be limited to the amount of the gross income obtained. The excess may be deducted in the following four years (Article 23.a).1 of the Law of IRPFABBR). In this case, the total amount ($200 + 210 = 410$ euros) is much lower than the total income (5,850 euros). [\(Return interests\)](#) [\(Return repair costs\)](#)

(2) To determine the amounts allocated to the amortization of the property, the following data is taken into account:

- Cadastral value: 46,200 euros
- Cadastral value of construction: 29,120 euros
- % cadastral value of construction/cadastral value $[29,120 \div 46,200] \times 100 = 63\%$
- Acquisition cost (including expenses associated with the purchase) $(70,000 + 3,000) = 73,000$ euros
- Acquisition cost, excluding land value $(73,000 \times 63\%) = 45,990$ euros

According to article 14.2.a) of the Personal Income Tax Regulations, the amortization may not exceed, in each year, the result of applying 3% to the highest of the following values: cadastral value of construction (29,120 euros) or acquisition cost, excluding land (45,990 euros). [\(Back\)](#)

(3) According to article 14.2.b) of the Personal Income Tax Regulations, the amortization may not exceed, in each year, the result of applying to the acquisition costs paid for the acquisition of the furniture (transferred together with the home) the amortization coefficients determined in accordance with the simplified amortization table approved by Order of March 27, 1998, referred to in article 30.1.^a of the aforementioned Regulation, that is, 10%. [\(Back\)](#)

For the months of **January, February and March that were not rented** the imputed real estate income must be declared. In this case, since the cadastral value has been reviewed:

$1.1\% (46,200 \text{ euros} \times (90/365)) = 125.31$

NOTE: The deductibility of these expenses only applies to the part of the tax period in which they are rented. Consequently, they are not considered deductible expenses for the purposes of Article 23.1 of the Law IRPFABBR, those generated during the time that the property is not rented, even if it is available to be rented (in expectation of rent). Interpretative criterion established by the Supreme Court in Judgment No. 270/2021, of February 25 (ROJ: STS 910/2021).

Note: Please note that Granollers is among the areas with a stressed residential market that have been declared in accordance with the procedure provided for in article 18 of Law 12/2023, of May 24, on the right to housing as a result of the Resolution of March 14, 2024, of the Secretary of State for Housing and Urban Agenda (BOE of March 15), with a period of validity between March 16, 2024 and March 16, 2027. As a result of the above, and having met the requirement of reducing the rent by more than 5% compared to the last rent of the previous contract once the annual update has been applied, they are entitled to apply the 90% reduction percentage.

3. Housing rented to a family member.

The house was acquired in 2009 for 45,000 euros, including the expenses inherent to said acquisition, and has been rented since 2020 to a brother of Mrs. MAT. for 300 euros per month.

The cadastral value of the property is 13,800 euros, of which 4,830 euros correspond to the value of the land and 8,970 euros to the value of the construction. This cadastral value was last revised in 2012. The cadastral reference of said property is 4927802TG3442F0134YK.

The expenses for this home over the course of 2025 They have been the following:

- Real Estate Tax (IBI): 91
- Loan interest: 4.200
- Capital amortization: 1.202
- Community: 720
- Air conditioning installation (01-07-25): 1,500

Solution to the case of a home rented to a family member

The highest value of the following shall be computed as the minimum total net return:

3.1. Reduced net yield

Calculating the difference between gross income and deductible expenses:

- Interest on capital invested in the acquisition of housing (mortgage loan) (1) : 3.600
 - * Limit: gross income: 3.600 euros
 - * Amount of 2025 pending deduction in the following 4 years: 4,200 -3,600 = 600
- Taxes, surcharges and fees (IBI): 91
- Community fees: 720
- Housing and air conditioning amortization: $3\% \times (29,250 \text{ (2)} + 1,500 \times 6/12) \text{ (3)} = 900$

Total deductible expenses: 5.311

Net return $(3,600 - 5,311) = -1,711$

Reduction for housing rental [\(4\)](#) : 0

Reduced net performance: -1.711

3.2. 1.1 percent of the cadastral value $(1.1\% \times 13,800) = 151.80$

Net performance:

The higher of the two values calculated in sections 3.1 will be declared. and 3.2. That is, 151.80.

Notes to the solution of the house rented to a relative :

(1) The total amount to be deducted for interest on external capital invested in the acquisition of the property and the costs of repair and maintenance of the property will be limited to the amount of the gross income obtained. The excess may be deducted in the following four years (Article 23.a).1 of the Law of IRPFABBR). [\(Back\)](#)

(2) To determine the amounts allocated to the amortization of the property, the following data is taken into account:

- Cadastral value: 13,800 euros
- Cadastral value of construction: 8,970 euros
- % cadastral value of construction/cadastral value $[8,970 \div 13,800] \times 100 = 65\%$

Acquisition cost, excluding land value $(45,000 \times 65\%) = 29,250$ euros [\(Back\)](#)

(3) The installation of an air conditioning system in a property intended for obtaining income from real estate capital must be classified as an improvement, integrated as a higher acquisition value of the property and amortized at 3 percent in accordance with the provisions of article 14.1 and 2 of the Personal Income Tax Regulations. [\(Back\)](#)

(4) The reduction for leasing properties used for housing does not apply because the net yield is negative. However, please note that, if the net income were positive, in accordance with the new percentage reductions for residential rentals in Article 23.2 of the Personal Income Tax Law applicable from 2024, you would be entitled to a 60% reduction since this was a rental contract signed in 2020. [\(Back\)](#)

3. Sum of reduced net returns on real estate capital

The sum of the reduced net capital gains from the three leases: $(3,028.11 + 328.71 + 151.80) = 3,508.62$

Chapter 5. Investment income

The Tax Agency's electronic headquarters incorporates a " [Virtual Income Assistant](#) », where you can find out how to calculate the income derived from movable capital, including the definition of its different concepts (dividends, interest, business rentals, for example), deductible expenses and imputation criteria, among many other issues.

Investment income: general questions

Subject

Positive and negative delimitation

A. Positive delimitation

Regulations: Art. Law 21 IRPFABBR

All profits or compensation, whatever their name or nature, monetary or in kind, that come, directly or indirectly, from movable capital and, in general, from assets or rights not classified as real estate, of which the taxpayer is the owner and are not related to economic activities carried out by the taxpayer, are considered to be income from movable capital for tax purposes.

The income corresponding to assets, property or rights, which are exclusively related to economic activities carried out by the taxpayer will be included among those derived from the indicated activities.

Important : *In no case are assets representing participation in the equity of an entity and the transfer of capital to third parties considered as assigned to economic activities [Art. 29.1 c) Law IRPFABBR].*

B. Negative delimitation

The following are not considered income from movable capital, among others:

- Derivatives of the **delivery of paid-up shares**.

Regulations: Articles 25.1 b) and 37.1 a) and b) Law IRPFABBR

The tax treatment of the receipt of paid-up shares, both in the case of securities [admitted to trading](#) and securities [not admitted to trading](#) is discussed in Chapter 11.

Attention : Since 1 January 2017, the amount obtained from the transfer of both subscription rights from securities [admitted to trading](#) and subscription rights from securities [not admitted to trading](#) on an organised market is considered a capital gain subject to withholding. See Chapter 11.

- **Dividends and profit shares** distributed by companies originating from tax periods during which said companies were under a tax transparency regime.

Regulations: Art. 91.8 and tenth transitional provision of the Law IRPFABBR; fourth transitional provision of the Regulations IRPFABBR

- The consideration obtained for the **deferral or splitting of the price of operations** carried out in the development of a habitual economic activity of the taxpayer.

Regulations: Art. 25.5 Law IRPFABBR

- Those derived from the **lucrative transfers, due to the death** of the taxpayer, of the assets representing the collection and use of foreign capital. The negative on movable capital derived from the **lucrative transfer of assets representing the raising and use of foreign capital by "inter vivos" acts** will also not be computed.

Regulations: Art. 25.6 Law IRPFABBR

- The **dividends and profit shares** referred to in article 25.1 a) and b) of the Law IRPFABBR that come from profits obtained in **tax periods during which the distributing entity would have been taxed under the regime of asset-holding companies**

Regulations: Tenth Transitional Provision of the Law IRPFABBR

- The **distribution of benefits** referred to in article 25.1 a) and b) of the Law IRPFABBR Income obtained during the tax periods in which the income attribution regime for civil partnerships that kept accounts in accordance with the Commercial Code in the 2014 and 2015 tax years and that became subject to Corporation Tax from 1 January 2016 onwards was applicable, will not be included in the taxable base of the recipient who is a taxpayer of IRPFABBR nor will they be subject to withholding and payment on account.

Regulations: Thirty-second transitional provision.3 LIS

Estimated returns on capital and related operations

Regulations: Articles 6.5, 40 and 41 Law IRPFABBR

The provision of goods or rights likely to generate capital gains **are presumed to be remunerated, unless proven otherwise**. In the absence of proof to the contrary, the valuation of the estimated returns will be carried out at market value, which is understood to be the consideration that would be agreed between independent subjects, unless there is proof to the contrary, of another lower value.

If it's about **loans and operations to raise external capital in general**, will be understood as normal market value **the legal interest rate of money** that is in force on the last day of the tax period, the **3.25 percent** for the year 2025.

In the case of transactions between related persons or entities, the valuation will be carried out at market value, in accordance with the terms set forth in article 18 of the LIS. This same Chapter discusses the integration into the tax base of the income obtained from the transfer to third parties of equity from related entities.

Regarding the LIS see Law 27/2014, of November 27, on Corporate Tax.

According to article 18 of the LIS the linking relationships occur in the operations carried out between:

- An entity and its partners or participants,
- An entity and its legal and de facto directors or administrators, except for what corresponds to remuneration for the exercise of their functions,
- An entity and the spouses or persons related by direct or collateral family ties, by consanguinity or affinity up to the third degree of the partners or participants, directors or administrators,
- An entity and the directors or managers of another entity, when both entities belong to a group.

When the link is defined based on the partner-company relationship, the partner's participation must be equal to or greater than 25 percent.

The Tax Administration may verify that transactions carried out between related parties have been valued at their market value and will, where appropriate, make the necessary valuation adjustments with respect to transactions subject to Corporation Tax. IRPFABBR or to the Non-Resident Income Tax that have not been valued at their market value. For this purpose, the taxpayer of IRPFABBR must comply with the documentation obligations for related-party transactions under the terms and conditions established in Chapter V (Articles 13 to 16) of the Corporate Income Tax Regulations, approved by Royal Decree 634/2015, of July 10 (BOE July 11).

Classification according to its origin or source

Regulations: Article 25 of the Law IRPFABBR

Depending on the assets from which they originate, income from movable capital is classified, for the purposes of IRPFABBR, in the following four groups:

- 1. Returns obtained from participation in the equity of any type of entity.**
- 2. Income obtained from the transfer of own capital to third parties.**
- 3. Income from capitalization operations and life or disability insurance contracts , except when they must be taxed as employment income, and income derived from the taxation of capital.**

However, benefits derived from insurance contracts entered into within the framework of social security are taxed as income. The following are considered to be such:

- Insurance contracts entered into with social security mutual societies whose contributions may have been, at least in part, deductible expenses or subject to reduction in the tax base.
- Corporate social security plans and collective insurance that implement pension commitments assumed by companies, under the terms set forth in the First Additional Provision of the consolidated text of the Law on the Regulation of Pension Plans and Funds, approved by Royal Legislative Decree 1/2002, of November 29 (BOE of December 13).
- Insured pension plans.
- Dependency insurance in accordance with the provisions of Law 39/2006, of December 14, on the Promotion of Personal Autonomy and Care for People in Situations of Dependency (BOE of December 15).

- 4. Other income from movable capital.**

Classification according to its integration into the tax base

Regulations: Articles Law 45 and 46 IRPFABBR

The current Law of IRPFABBR in order to give neutral treatment to income derived from savings, it establishes the incorporation of all income thus qualified, whatever the financial instruments in which they materialize and the term of their generation, into a single base called the savings tax base.

The taxable savings base is made up of the following income:

- Derivatives of the participation of entities' own funds.
- Those derived from the transfer of own capital to third parties.
- Life or disability insurance derivatives and capitalization operations.
- Those arising from life annuities or temporary annuities derived from the imposition of capital.

The general tax base includes, among others, the following income:

- Those derived from intellectual and industrial property when the taxpayer is not the author, and from the provision of technical assistance.

- Those derived from the leasing of movable property, businesses or mines and subleases and the transfer of the right to exploit the image.

The following image graphically represents the classification of income from movable capital according to its integration into the tax base:

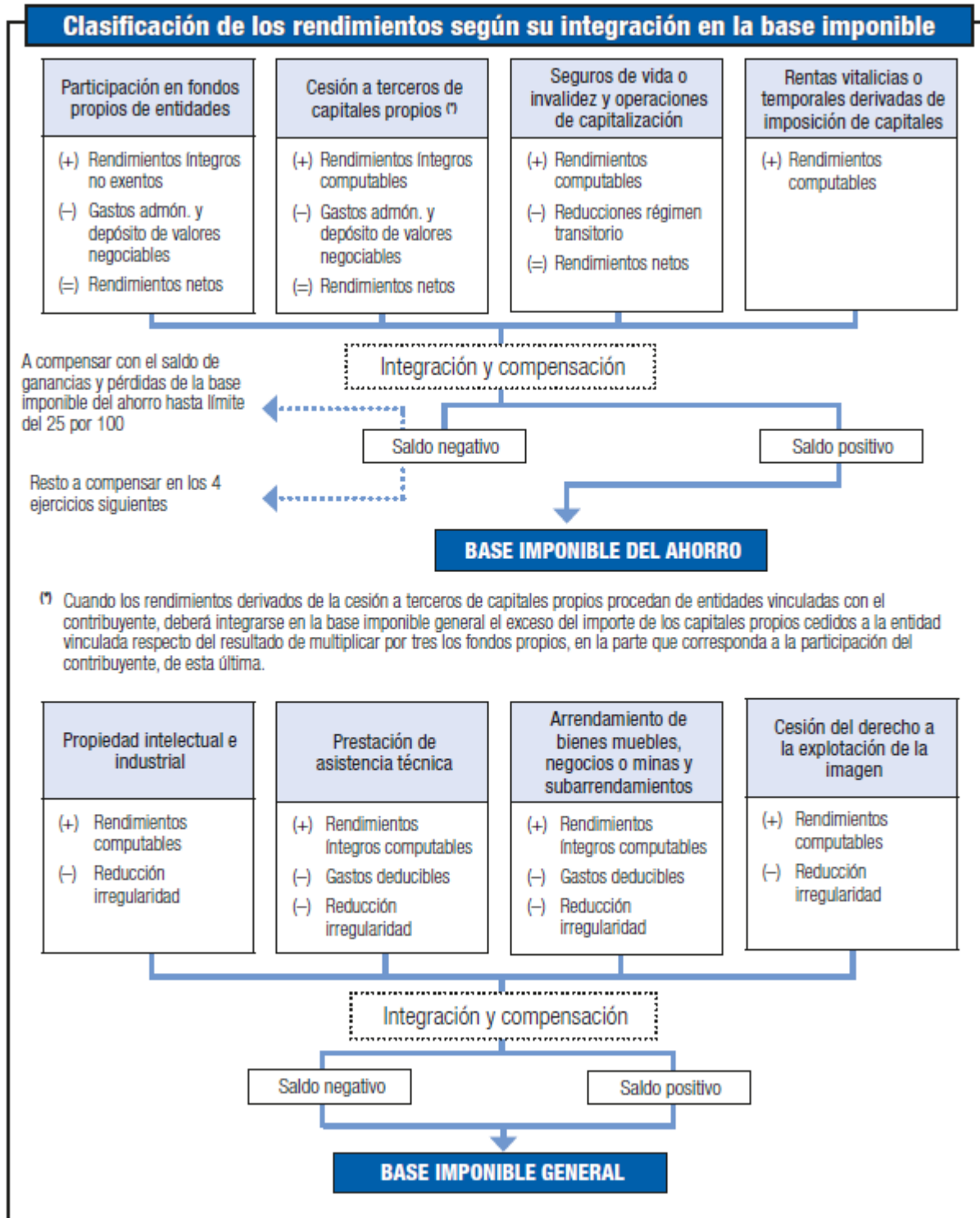


Table: Classification of yields according to their origin

Origin	Performance class	Examples
Equity Securities (Shares and other equity interests in any type of entity)	Returns obtained from participation in the equity of entities	- Dividends, attendance bonuses at meetings and participation in profits of entities - Constitution or transfer of rights or powers of use or enjoyment of shares and participations - Any profit derived from the status of partner, shareholder, associate or participant - Distribution of the issue premium and capital reduction with return of contributions in traded securities whose amounts exceed the acquisition value of the respective shares
Fixed-income securities and other financial instruments Equity transferred to third parties	Agreed or estimated returns for the transfer of own capital to third parties	- Interest on accounts or deposits - Interest and other income from fixed-income securities (bonds) - Interest on loans granted
	Returns derived from operations carried out on financial assets	- Transmission, amortization, exchange or reimbursement of financial assets, such as: - Public Debt Securities (Treasury Bills, Government Bonds and Obligations, etc.) - Other financial assets - Preferred shares and subordinated debt - Temporary transfer of financial assets and assignment of credits
Life or disability insurance contracts and capitalization operations	Income from life or disability insurance contracts and capitalization operations	- Survival benefits - Retirement benefits - Disability benefits - Temporary or life annuities through capital imposition
Other unaffected assets of a movable nature (Goods or rights)	Other income from movable capital	- Intellectual property (if the recipient is a person other than the author) - Industrial property (*) - Technical assistance (*) - Leasing of movable property, businesses or mines - Sublease received by the sublessor (*) - Assignment of image exploitation rights (*)

Note:

(*) As long as the income does not derive from affected elements or are obtained within the scope of an economic activity. [\(Back\)](#)

Income to be included in the taxable savings base

Returns obtained from participation in equity of any entity

Regulations: Art. 25.1 Law IRPFABBR

In general, monetary and in-kind returns obtained from participation in the equity of any type of entity

The following returns, whether monetary or in kind, are included in this category:

- a. The **dividends, attendance bonuses at meetings and participation in the profits** of any type of entity.
- b. The **returns from any kind of assets** , except the delivery of fully or partially paid-up shares that, by statute or by decision of the corporate bodies, entitle one to participate in the profits, sales, operations, income or similar concepts of an entity for a reason other than the remuneration of personal work.
- c. The returns derived from the **constitution or transfer of rights of use or enjoyment** , whatever their name or nature, **on the securities or shares that represent the participation in the entity's equity**.
- d. **Any other utility** , other than the above, coming from an entity **due to the status of partner, shareholder, associate or participant** .
- e. The **distribution of the issue premium and the reduction of capital with return of contributions**. Its examination is carried out in the following [section](#) of the "Income obtained from participation in equity of any entity" of this Chapter.

Specifically: Distribution of the share premium and capital reduction with return of contributions

Regulations: Articles 25.1.e) and 33.3.a) Law IRPFABBR

We must distinguish between:

1. Securities admitted to trading on any of the securities markets of the European Union

In this case **the amounts obtained** from the distribution of the issue premium and the capital reduction with return of contributions corresponding to securities admitted to trading **will reduce, until cancelled, the acquisition value** of the shares or participations affected **and any excess** that may result will be taxed as **income from movable capital** not subject to withholding or payment on account.

However, **when the capital reduction comes from undistributed profits, the entire amount received for this concept will be taxed as a dividend**. For these purposes, capital reductions, whatever their purpose, shall be deemed to affect first and foremost the portion of share capital that does not come from undistributed profits, until they are cancelled.

2. Securities not admitted to trading on any of the securities markets of the European Union

These are securities not admitted to trading in any of the regulated securities markets defined in Directive 2014/65/EU (European Union) of the European Parliament and of the Council, of May 15, 2014, relating to markets in financial instruments, and representative of the participation in the own funds of companies or entities.

In the case of distribution of the issue premium and capital reduction that has the purpose of returning contributions **and does not come from undistributed profits**, corresponding to these securities not admitted to trading, the positive or negative sign of **the difference** between the value of the equity of the shares or participations corresponding to the last financial year closed prior to the date of the distribution of the premium or the date of the capital reduction and its acquisition value must be taken into account.

- a. If the difference were **positive**, the amount obtained or the normal market value of the assets or rights received **will be considered income from movable capital with the limit of the aforementioned positive difference**.

It should be noted that, although Articles 25.1.e) and 33.3.a) of the Law IRPFABBR They refer to Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments, that Directive was repealed with effect from 3 January 2017 by Directive 2014/65/EU (European Union) of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments. This, in its article 94, provides that references to Directive 2004/39/EC will be understood as references to Directive 2014/65/EU.

- b. If the difference is negative **or zero**, the amount received will reduce the acquisition value of the shares or interests until it is nullified.

For the purposes of calculating the positive difference, the value of the equity will be reduced, where appropriate, by the following amounts:

- In the amount of profits distributed **prior to** the date of the distribution of the issue premium or the date of the capital reduction, from reserves included in the aforementioned equity.
- In the amount of the **legally unavailable reserves** included in said equity that would have been generated after the acquisition of the shares or interests.

The excess over this limit, that is, the difference between the value of the equity and the acquisition value of the shares or participations will reduce the acquisition value of the latter until it is nullified and the part of said excess that exceeds the acquisition value will be taxed as income from movable capital not subject to withholding or payment on account.

Likewise, in order to avoid cases of double taxation, if the distribution of the issue premium or the capital reduction intended to repay contributions and not derived from undistributed profits determined income from movable capital for the aforementioned difference between the acquisition value and that of the equity, and subsequently the taxpayer obtained dividends or shares in the profits of the same entity in relation to shares or participations that had remained in its assets since the distribution of the issue premium or since the capital reduction, the amount of these will reduce the acquisition value of the same, with the limit of the income from movable capital previously computed by the distribution of the issue premium or by the capital reduction with repayment of contributions.

In short: *if the equity attributable to the individual taxpayer (minus the unavailable reserves included in said equity that were generated after the acquisition of the shares or interests and the amount of profits distributed prior to the date of the distribution of the issue premium or the date of the capital reduction from reserves included in said equity) exceeds the acquisition value of his or her shares or interests, the amount received (the distribution of the issue premium or the capital reduction in the terms discussed above) , up to said positive difference, is taxed as income from movable capital. The remainder of the amount received reduces the acquisition value of the shares or interests until they are cancelled and the part that exceeds the acquisition value is taxed as income from movable capital not subject to withholding or payment on account.*

Below is a practical example on this topic:

Example: Distribution of the share premium and capital reduction with return of contributions in securities not admitted to trading

Mr. RGM In 2009, he acquired 300 shares in the company "Max, SA", which is not listed on the stock exchange, for a total amount of 3,000 euros. On October 15, 2025, as a result of the capital increase carried out by the aforementioned company the previous year, it received a share premium of 2 euros per share.

The share capital of the entity "Max, SA" in the last financial year closed prior to the date of distribution of the bonus was made up of 2,500 shares with a nominal value of 10 euros, and there were reserves established for an amount of 2,500 euros, of which 1,250 euros corresponded to unavailable reserves.

Solution:

Equity Value

- Share capital (2,500 shares) x 10): 25,000
- Total reservations: +2.500
- Reservations not available: -1.250
- Value of equity of company "Max, SA" $(25,000 + 2,500 - 1,250) = 26,250$
- Value of Equity corresponding to the shares of Don RGM $(10.5 \text{ euros} \times 300 \text{ shares})$ (1) = 3.150

Note 1) The value of the company's equity per share will be 10.5 euros [the result of dividing the value of the company's equity for the last financial year closed prior to the date of the distribution of the bonus by the total number of shares in said company, that is, 26,250 euros / 2,500 shares].[\(Back\)](#)

Taxation limit

- Equity value of shares: 3.150
- Purchase value of shares: 3,000
- Positive difference: 150

Taxation of the issue premium

- Issue premium (300 shares. x 2) = 600
- Limit (3,150 -3,000) = 150

Amount taxed as income from movable capital [\(2\)](#): 150

Note (2) It will be the positive difference between the value of the equity corresponding to the shares and the acquisition value of these, since the return on movable capital to be computed in these cases is limited to the aforementioned positive difference and is not subject to withholding.[\(Back\)](#)

Excess that reduces the acquisition value (600 - 150) [\(3\)](#) = 450

Note (3) It will be determined by the excess between the positive difference between the equity value corresponding to the shares and the acquisition value of these and the amount of the premium received, that is, 450 euros (600 – 150). As a result of the above, the new acquisition value of the shares will be 2,550 euros (3,000 – 450).

If the taxpayer subsequently obtains dividends or shares in the profits of the same entity in relation to these shares, the amount of these, with the limit of the returns on movable capital previously computed by the distribution of the issue premium as a result of the aforementioned difference between the acquisition value and that of the equity, will also reduce the acquisition value of the shares.[\(Back\)](#)

Special assumptions

A. Capital reduction and distribution of the issue premium carried out after 23 September 2010 by variable capital investment companies (SICAV)

Regulations: Art. 94.1.c) and d) and 94.2.b) Law IRPFABBR

a. In cases of capital reduction of variable capital investment companies whose purpose is the return of contributions, the amount of this or the normal market value of the goods or rights received will be classified as income from movable capital, in accordance with the provisions of article 25.1 a) of the Law of IRPFABBR, **with the upper limit of the following amounts:**

1. **The increase in the net asset value of the shares** since their acquisition or subscription until the time of the reduction of the share capital.
2. When the capital reduction proceeds from undistributed profits, **the amount of said profits** . For these purposes, capital reductions, whatever their purpose, shall be deemed to affect first and foremost the portion of share capital that comes from undistributed profits, until their cancellation .

The excess on the aforementioned limit **will reduce the acquisition value of the affected shares until it is cancelled**, under the terms established in article 33.3 a) of the Law of IRPFABBR.

In turn, any excess that may result will be integrated as income from movable capital from participation in the equity of any type of entity, in the manner provided for the distribution of the issue premium corresponding to securities admitted to trading on any of the securities markets of the European Union.

b. In cases of distribution of the share premium of variable capital investment companies, the entire amount obtained will be considered as income from movable capital, without the reduction previously mentioned for the acquisition value of the shares admitted to trading on any of the securities markets of the European Union, provided for in article 25.1 e) of the Law of IRPFABBR.

The provisions for SICAV shall also apply to collective investment undertakings equivalent to variable capital investment companies that are registered in another State, regardless of any limitations they may have with respect to restricted groups of investors, in the acquisition, transfer or redemption of their shares; In any case, it will apply to companies covered by Directive 2009/65/EC of the European Parliament and of the Council of 13 July coordinating the laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities [Art. 94.2.b) Law IRPFABBR].

Please note that Law 11/2021, of July 9, on measures to prevent and combat tax fraud, in relation to Corporate Income Tax, established additional requirements for variable capital investment companies (SICAV) to be able to apply the 1% tax rate.

This amendment is accompanied by a transitional regime for SICAVs that agree to their dissolution and liquidation, which aims to allow their partners to transfer their investments to other collective investment institutions that meet the requirements to maintain the 1 percent corporate tax rate.

B. Dividends and profit sharing from certain borrowed securities

Dividends, profit shares and other income derived from borrowed securities referred to in the Eighteenth Additional Provision of Law 62/2003, of December 30, on fiscal, administrative and social order measures (BOE of December 31) will be integrated into the borrower's income in accordance with the provisions of the aforementioned provision.

Regarding the tax regime for the [lender](#) of the remunerations and, where applicable, of the compensation for the economic rights derived from the securities lent during the term of the loan, it is discussed in this same Chapter.

Precision: Please note that the LIS has repealed, with regard only to said tax, with effect from 1 January 2015, section 2 of the Eighteenth Additional Provision of Law 62/2003, of 30 December, which establishes the tax regime applicable to securities lending operations. Therefore, the tax treatment provided for in the aforementioned Eighteenth Additional Provision of Law 62/2003 when the lender or borrower is a taxpayer for the IRPFABBR It remains in effect.

Regarding the LIS see Law 27/2014, of November 27, on Corporate Tax.

In particular, the borrower must include in its tax base the entire amount received from the securities borrowed. In particular, the total amount received on the occasion of a distribution of the issue premium or a capital reduction with return of contributions that affects the securities loaned must be integrated, as well as the market value corresponding to the subscription rights or free allocation awarded in the event of a capital increase.

The tax regime applicable to the acquisition or transfer of [securities similar to those borrowed](#) made by the borrower during the term of the loan is discussed in Chapter 11.

Deductible expenses: of administration and storage

Regulations: Art. 26.1 a) Law IRPFABBR

In order to determine the net return on movable capital corresponding to this type of income, only the administration and deposit of shares or interests that represent participation in the equity of entities may be deducted, without any other expense concept being admissible as a deduction.

For these purposes, **will be considered as administration and deposit expenses** those amounts passed on by investment services companies, credit institutions or other financial entities that, in accordance with Law 6/2023, of March 17, on Securities Markets and Investment Services (BOE of March 18), are intended to remunerate the service derived from the performance, on behalf of their holders, of the service of deposit of securities represented in the form of certificates or the administration of securities represented in account entries.

Precision: although article 26.1.a) of the Law of IRPFABBR Refers to Law 24/1988, of July 28, on the Securities Market, said reference should be understood as referring to Law 6/2023, of March 17, on the Securities Markets and Investment Services (BOE March 18).

The following will not be deductible:

Amounts representing the consideration for discretionary and individualised management of investment portfolios, where there is a disposition of the investments made on behalf of the holders in accordance with the mandates conferred by them.

Example: Income obtained from participation in the own funds of any entity

Mr. LHL has perceived in the exercise 2025 the following returns due to his status as a shareholder of certain publicly traded companies.

1. From the company "Alfa, SA ", he has received the following amounts:

Dividends:

Full amount: 1,020 euros

Attendance bonuses for meetings:

Full amount: 300 euros

Shares issued from a capital increase:

Market value: 3.005 euros

2. On February 10th 2025, has established a temporary usufruct for 10 years in favor of the entity "Beta, SA" on a package of shares in the company "Gamma, SA" for a total amount of 21,000 euros, which will be received in installments of 2,100 euros on February 13th of each of the respective years of the usufruct.

The credit institution has charged you 31 euros for the service of administration and deposit of the shares. Determine the amount of computable net income and withholding taxes.

Solution:**Company "Alpha SA ":**

Dividend amount = 1,020

Amount of attendance bonuses at meetings = 300

Free shares [\(1\)](#) = --

Retention supported $(193.8 + 57)$ [\(2\)](#) = 250.80

Constitution of usufruct:

Computable performance: 2,100

Withholding tax $(19\% \text{ s/}2,100)$: 399

Total gross income $(1,020 + 300 + 2,100) = 3,420$

Deductible expenses = 31

Net income to be integrated into the taxable savings base $(3,420 - 31) = 3,389$

Notes to the example:

[\(1\)](#) The receipt of fully paid-up shares does not constitute income from movable capital. The tax treatment applicable to the receipt of [fully paid-up shares](#) (of securities admitted to trading) is discussed in Chapter 11 of this Manual. [\(Back\)](#)

[\(2\)](#) The withholding tax rate applicable to income derived from participation in the equity of entities for the fiscal year 2025 It's 19 percent.

Consequently, the withholdings incurred were as follows:

Dividend $(19\% \text{ s/}1,020) = 193.80$

Attendance bonus at meetings $(19\% \text{ s/}300) = 57$

Amount of withholdings: $193.80 + 57 = 250.80$ [\(Back\)](#)

Income from the transfer of own capital to third parties

Regulations: Art. 25.2 Law IRPFABBR

Conditions

This consideration is considered to be any type of compensation, regardless of its name or nature, whether monetary or in kind, obtained as remuneration for the transfer of own capital to third parties, as well as that derived from the transfer, reimbursement, amortization, exchange or conversion of any type of assets representing the raising and use of third-party capital.

Within this category of performance, the following four groups can be distinguished:

a) Income obtained from the transfer of own capital to third parties

Examples include, but are not limited to:

- Interest on accounts in all types of financial institutions, including those based on transactions in financial assets.
- Interest, coupons and other periodic returns derived from fixed-income securities.
- Interest on financial assets with effective retention of 1.2% by application of the bonus provided for in the sixth transitional provision of the LIS .

The particularities of the [deductible withholdings](#) corresponding to said income are discussed in Chapter 18.

- Interest derived from loans granted to third parties.
- Income derived from temporary transfer of financial assets with repurchase agreement (REPOS). This is the name given to sales transactions that include a repurchase commitment, optional or non-optional, which is carried out at a time between the sale date and the redemption date. The most common "REPOS" are made on Obligations and Government Bonds.
- Income paid by a financial institution as a result of the transmission, assignment or transfer, in whole or in part, of a credit owned by the latter. The income obtained by the transferee or purchaser is classified in all cases as income from movable capital.

b) Considerations derived from the transmission, reimbursement, amortization, exchange or conversion of any type of financial assets, regardless of the nature of the performance they produce, implicit, explicit or mixed.

Negotiable securities representing the raising and use of external capital, regardless of the way in which they are documented, are considered "**financial assets**". This consideration is also given to negotiable instruments, including those originating from commercial operations, from the moment they are endorsed or transferred, unless the endorsement or transfer is made as payment for a credit from suppliers or providers.

By way of example, financial assets include, among others, the following securities:

- Public Debt Securities (Treasury Bills, Obligations and Government Bonds).

- Financial letters.
- Financial or corporate promissory notes issued at a discount.
- Obligations or bonds with periodic accrual of coupons or with issue, amortization or reimbursement premiums.
- In general, any asset issued at a discount.

Article 91 of the Regulations of IRPFABBR It distinguishes between financial assets with implicit returns, explicit returns and mixed returns, for the purposes of subjecting these returns to the withholding or advance payment system without this distinction having any relevance in the tax classification of the returns obtained.

- Financial assets with implicit yield are considered those in which the yield is generated by the difference between the amount paid in the issue, first placement or endorsement and the amount committed to be reimbursed at the maturity of the operation. The implicit returns include issue, amortization or reimbursement premiums.
- Financial assets with explicit yield are considered those that generate interest and any other form of remuneration agreed upon as consideration for the transfer of own capital to third parties and are not included in the concept of implicit yield in the terms discussed in the previous paragraph.
- **financial assets with mixed returns** are those that generate implicit and explicit returns. These securities will follow the regime of financial assets with explicit yield when the annual cash they produce of this nature is equal to or greater than the reference rate in force at the time of issue, even if another additional yield has been implicitly established in the conditions of issue, amortization or reimbursement. They will follow the regime of financial assets with implicit returns when the annual cash is lower than the reference.

Important: All returns derived from operations carried out on financial assets generate, without exception, returns on movable capital. However, in the case of lucrative transfers of financial assets due to the death of the taxpayer (the so-called "capital gains of the deceased"), it will be deemed that there is no return on movable capital. Nor is the negative return on movable capital derived from the gratuitous transfer of such capital by "inter vivos" acts taken into account (Art. 25.6 Law IRPFABBR).

c) Income derived from certain securities loans

Regulations: Additional Provision Eighteenth Law 62/2003, of December 30, on fiscal, administrative and social order measures (BOE of December 31)

Securities lending is an operation that meets the remaining requirements established in the Eighteenth Additional Provision of Law 62/2003 and, by which one party (the lender), in exchange for monetary compensation, temporarily transfers securities to another party (the borrower). The borrower receives the monetary amounts corresponding to the economic rights that, for any other reason, derive from the securities lent during the term of the loan,

with the obligation to return, upon maturity, the same number of securities that are homogeneous to those lent. The dividends and participation in profits from the securities borrowed constitute for him [returns obtained from the participation of any entity's own funds](#), as explained in the previous section.

As regards the **lender** the remuneration of the loan, as well as the amount of compensation for the economic rights derived from the securities lent during the term of the loan, will be considered for the lender as **returns obtained from the transfer of own capital to third parties**.

Note: Please note that the Eighteenth Additional Provision of Law 62/2003 has been repealed with regard to Corporation Tax, with effect from 1 January 2015, by Law 27/2014, of 27 November (Official State Gazette of 28 November), but remains in force for IRPFABBR.

However, the amounts of compensation for the distribution of the issue premium, for capital reductions with return of contributions or for preferential subscription rights or free allocation rights generated during the duration of the loan, will have for the lender the treatment applicable to them as discussed in [Chapter 11](#).

d) Income derived from preferred shares and subordinated debt

Subject

The income obtained from the transfer of own capital to third parties is considered to be the income derived from subordinated debt securities or preferred shares issued under the conditions established in the Second Additional Provision of Law 13/1985, of May 25, on investment coefficients, own resources and information obligations of financial intermediaries (BOE of May 28) and, since June 28, 2014, in the First Additional Provision of Law 10/2014, of June 26, on the regulation, supervision and solvency of credit institutions (BOE of June 27).

Please note that, with effect from 28 June 2014, Law 10/2014, of 26 June, on the regulation, supervision and solvency of credit institutions (BOE of 27 June), repealed Law 13/1985, of 25 May, on investment coefficients, own resources and information obligations of financial intermediaries, regulating in its First Additional Provision both the tax regime applicable to preferred shares and certain debt instruments (specifically, subordinated debt) and the requirements they must meet. However, the entry into force of this Law 10/2014 does not modify the tax regime applicable to preferred shares and other debt instruments that had been issued prior to said date, in accordance with the provisions of the second transitional provision of the aforementioned Law.

Special optional rule for quantifying income derived from subordinated debt or preferred shares for compensation received for agreements entered into with issuing entities

Regulations: Forty-fourth Additional Provision of the Law IRPFABBR

For those taxpayers who receive compensation in 2025 as a result of agreements entered into with entities issuing subordinated debt and preferred shares, the Law of IRPFABBR It establishes a special quantification rule that allows, on a voluntary basis, in the year in which the compensation is received, a single income from movable capital for the difference between the compensation received and the investment made, leaving intermediate operations of repurchase and subscription or exchange of securities without tax effects.

Since it is voluntary, the taxpayer may, in any case, decide not to apply the special rule and apply the general rules of the IRPFABBR giving each of the operations performed the appropriate treatment.

If you opt for this special rule **the tax treatment you must follow is the following** :

- In the year in which the compensation derived from agreement **is received, the difference between the compensation received and the investment initially made** will be computed as income from movable capital. This compensation will be increased by the amounts previously obtained from the transfer of the securities received. In the event that the securities received in the exchange have not been previously transferred or have not been delivered in connection with the agreement, the aforementioned compensation will be increased by the valuation of said securities that would have been taken into account for the quantification of the compensation.
- **The repurchase and subscription or exchange for other securities, and the transfer of the latter carried out before or as a result of the agreement, will not have tax effects.** where applicable, a supplementary self-assessment must be made without penalty, late payment interest, or any surcharge within the period between the date of the agreement and three months after the end of the period for submitting the self-assessment in which the compensations referred to in the previous point are charged, that is, within the period **between the date of the agreement and September 30, 2026**.

If you choose to apply this special quantification rule, immediately after filing, where applicable, these additional self-assessments, the taxpayer is obliged to report the years of the self-assessments affected by the new quantification, for which you must complete a specific form that can be submitted electronically, via the Internet (Electronic Headquarters of the AEAT), or at the registration offices of the Tax Agency.

Note: *Unlike taxpayers who have received compensation as a result of agreements entered into with entities issuing subordinated debt and preferred shares, holders of subordinated debt or preferred shares whose contracts have been declared null and void by court order, and who have declared income from them in their self-assessment corresponding to IRPFABBR They may request the rectification of said self-assessments and request and, where appropriate, obtain the refund of undue payments, even if the right to request the refund has expired.*

When the right to request a refund has expired, the correction of the self-assessment referred to in the previous paragraph will only affect the returns from subordinated debt and preferred shares, and any withholdings that may have been made on such returns.

Determination of full performance

It is necessary to distinguish:

a. In the case of interest and other remuneration agreed or estimated for the transfer of own capital to third parties

If the remuneration is **monetary**, the integration into the tax base of these incomes will be carried out for the full amount, without deducting the withholding made on said income.

If the compensation is **in kind** The taxable base will include the valuation of the income (market value of the asset, right or service received) plus the payment on account, unless this has been passed on to the holder of the income (Art. 43.2 Law IRPFABBR).

The provision of assets or rights likely to generate income from movable capital shall be presumed to be remunerated, unless proven otherwise. In the absence of evidence to the contrary, the valuation of the estimated income in the case of loans and operations of raising or using third-party capital in general, will be carried out by applying the legal interest rate in force on the last day of the tax period, 3.25 percent for the year 2025.

b. In the case of operations on financial assets

The integration into the tax base of the income derived from the transfer, reimbursement, amortization, exchange or conversion of any kind of financial assets (implicit income) will be carried out in accordance with the following rules:

1. The calculation of each return must be carried out individually, for each title or asset, by the difference between the sale, amortization or reimbursement values and the acquisition or subscription values.
2. The accessory costs of acquisition and disposal, provided that they are paid by the purchaser (acquisition value) or transferor (transfer or reimbursement value) and are adequately justified, must be included in the quantification of the profit obtained.
3. Negative returns will be integrated with positive returns, except in the case where the taxpayer has acquired homogeneous financial assets within the two months prior to or after said transfers, in which case, said negative returns will be integrated as the financial assets that remain in the taxpayer's assets are transferred [Art. 25.2 b) Law IRPFABBR].

See also, in relation to this last rule, Article 8 of the Regulation IRPFABBR "Concept of homogeneous values or shares."

Consequently, the amount of the return on movable capital will be determined by carrying out the following operation:

$$\text{Performance} = \text{Sale or redemption value} - \text{Acquisition or subscription value}$$

For these purposes, the amount of expenses and taxes inherent to said operations paid, which are adequately justified, will be considered as the higher acquisition or subscription value, or as the lower transfer, reimbursement or amortization value, without any withholdings or payments on account made being considered as such.

Regarding retention:

As a general rule, capital gains derived from financial assets **are subject to withholding or payment on account**.

Notwithstanding the foregoing, **There is no obligation to withhold or make payments on account on the following income** (Art. 75.3 Regulations IRPFABBR):

- Yields on securities issued by the Bank of Spain that constitute a regulatory instrument for intervention in the monetary market and yields on Treasury Bills. However, income derived from account contracts based on Treasury Bill transactions entered into with credit institutions and other financial institutions is subject to withholding or payment on account.
- Income from accounts abroad paid or credited by permanent establishments abroad of credit institutions and financial institutions resident in Spain.
- Conversion premiums for bonds into shares.
- The returns derived from the transfer or reimbursement of financial assets with explicit returns, provided that they meet the following requirements:
 - a. That they are represented by account entries.
 - b. That they are traded on an official Spanish secondary securities market.

However, income derived from account contracts based on transactions on the above securities that are entered into with credit institutions and other financial institutions are subject to withholding or payment on account.

Outline of the Fiscal Regime of the State Public Debt

Modalities	Quantifying performance	Retention
Treasure letters	Alienation value - Acquisition value	No
State bonus	Coupon: full amount	Yes
	Alienation value - Acquisition value	No (*)
State Obligations	Coupon: full amount	Yes
	Alienation value - Acquisition value	No (*)

Modalities	Quantifying performance	Retention
Financial accounts in Bills, Bonds and Obligations	Alienation value - Acquisition value	Yes

(*) The portion of the return equivalent to the accrued coupon in the transfers of the aforementioned securities is subject to withholding when carried out during the 30 days immediately preceding the coupon's maturity by a taxpayer of the IRPFABBR to a taxpayer of Corporate Income Tax or to a person or entity not resident in Spanish territory. [\(Back\)](#)

Deductible expenses: administration and deposit

Regulations: Art. 26.1 Law IRPFABBR

The following are considered deductible expenses for determining the net return on movable capital, exclusively those of administration and storage of negotiable securities, without the deduction of any other expense concept being admissible.

For these purposes, **the following will be considered as administration and deposit expenses** those amounts passed on by investment services companies, credit institutions or other financial entities that, in accordance with Law 6/2023, of March 17, on Securities Markets and Investment Services (BOE of March 18), are intended to remunerate the service derived from the performance, on behalf of their holders, of the service of deposit of securities represented in the form of certificates or the administration of securities represented in account entries .

Precision: although article 26.1.a) of the Law of IRPFABBR It refers to Law 24/1988, of July 28, on the Securities Market, This reference should be understood as referring to Law 6/2023, of March 17, on Securities Markets and Investment Services (BOE March 18).

The following will not be deductible:

Amounts representing the consideration for discretionary and individualised management of investment portfolios, where there is a disposition of the investments made on behalf of the holders in accordance with the mandates conferred by them.

Determination of net income

Net yield is determined by the difference between gross yields and the administration and deposit costs of negotiable securities.

The operations necessary to determine the amount of net income from movable capital that is included in the taxable savings base are represented in the following diagram:

(+) COMPREHENSIVE PERFORMANCE

a. Interest and other agreed or estimated remuneration

- Monetary **remuneration** : Full amount
- **compensation in kind**: Valuation + Income on account not passed on
- Estimated returns . In the absence of evidence to the contrary, 3.25 percent (current legal interest rate) for the year 2025 on the value of the assets and/or rights.

b. Operations on financial assets (implicit returns):

RCM= Alienation or reimbursement value - Acquisition or subscription value

(*) The amount of expenses and taxes inherent to said operations paid, which are adequately justified, is taken into account, without any withholdings or payments on account made being taken into account.

(-) ADMINISTRATION AND DEPOSIT EXPENSES OF NEGOTIABLE SECURITIES

(=) NET YIELD

Special case of integration of income obtained from the transfer to third parties of own capital from related entities

Regulations: Art. 46 a) Law IRPFABBR

When the income obtained from the transfer of own capital to third parties comes from entities linked to the taxpayer, the following must be taken into account:

The valuation of these returns must be carried out at market value.

These returns are included in the general and savings bases according to the following rules:

- **General tax base:** the general tax base will include the amounts corresponding to **excess** of the amount of equity transferred to a related entity **with respect to** of the result of multiplying by three the equity, in the part corresponding to the taxpayer's participation, of the latter.

For the purposes of calculating this excess, the amount of the related entity's equity reflected in the balance sheet for the last financial year closed prior to the accrual date must be taken into account. IRPFABBR and the taxpayer's percentage of participation existing on this date.

- **Taxable base for savings:** The difference between the market value of these returns and the amount of the part of the return to be integrated into the general tax base as indicated above is included in the taxable savings base.

Associated persons or entities:

To determine when there is a link, the provisions of article 18.2 of the LIS must be taken into account, in which the following are considered linked persons or entities:

- An entity and its partners or shareholders.
- An entity and its directors or administrators, de jure and de facto, except with regard to remuneration for the performance of their duties.
- An entity and the spouses or persons related by kinship, in a direct or collateral line, by consanguinity or affinity up to the third degree of the partners or participants, directors or administrators.
- An entity and the directors or managers of another entity, when both entities belong to a group.

In cases where the link is defined based on the relationship of the partners or participants with the entity, the participation must be equal to or greater than 25%. The reference to administrators will include those de jure and those de facto. In cases where the link is not defined based on the relationship between partners or participants-entity, the percentage of participation to be considered will be 25%.

In these cases, the taxpayer of IRPFABBR must comply with the documentation obligations for related-party transactions under the terms and conditions established in Chapter V (Articles 13 to 16) of the Corporate Income Tax Regulations, approved by Royal Decree 634/2015, of July 10 (BOE July 11).

See the practical application of this assumption in the [example](#) Regarding the calculation of the net return on movable capital in the case of returns obtained from the transfer to third parties of own capital, as set out in the following section.

Example: Income from the transfer of own capital to third parties

Mr. MLH, single, has obtained during the year 2025 the following returns:

- On January 10, he receives 400 euros in interest on a deposit for eight years and one day (tax date January 9, 2013; taxed capital 20,000 euros).
- On May 26, he subscribes to "M, SA" bonds, for five years, for a cash amount of 10,800 euros, with annual coupon payment (on May 25). On October 3, it transfers half of the bonds for 5,800 euros, incurring transfer costs of 30 euros. "M, SA" is listed on the Stock Exchange and the obligations are represented by book entries.
- On October 30, he received 5,000 euros in annual interest from "Z, SA", of which he is the sole director and majority shareholder, for the loan that he made to the company on October 29, 2017, for an amount of 70,000 euros. The loan will be fully repaid by October 30th. 2025. The amount of interest corresponds to the market value.

In the balance of the fiscal year 2024, closed on July 31st 2025 "Z, SA" had equity worth 50,000 euros and the taxpayer's shareholding percentage as of December 31 was 40 percent.

- On December 12, he sells 100 bonds of "T, SA" for 7,210 euros, after deducting the expenses inherent to said transfer paid by the transferor. These bonds were acquired in March 2013 for 7,815 euros. On December 28, he again bought 100 bonds from the

same company for 8,414 euros.

- On December 18, he received 210 euros in interest on discounted bonds from a toll highway concession company to which the 95% bonus on Capital Income Tax is applicable. The actual withholding tax is 2.52 euros.
- On December 28, it transfers State bonds for a cash amount of 30,050 euros. These bonds were acquired for an amount equivalent to 27,600 euros, including the costs inherent to said acquisition.

Determine the net return on movable capital to be included in the taxable base of IRPFABBR and the deductible withholdings, assuming that the financial institution has charged 41 euros to your account for administration and deposit expenses of negotiable securities.

Solution:

1. Interest on eight-year and one-day deposits

Total yield = 400

Retention (19% s/400) = 76

2. Transfer of obligations "M, SA"

(+) Transmission value (5,800 – 30) = 5,770

(-) Acquisition value (1/2 x 10,800) = 5,400

(=) Total yield = 370

Retention = 0

3. Interest on loans to related entities

Total return = 5,000

Of which:

a) Part of the income to be integrated into the general tax base: [\(1\)](#)

$70,000 - [40\% (50,000 \times 3)] = 70,000 - 60,000 = 10,000$

$10,000 / 70,000 \times 100 = 14.29\%$

$5,000 \times 14.29\% = 714.50$

b) Part of the income to be integrated into the taxable savings base: [\(2\)](#)

$5,000 - 714.50 = 4,285.50$

Retention (19% s/5,000) [\(3\)](#) = 950

Notes:

(1) Since the returns from a loan made to an entity related to the taxpayer come from, the interest corresponding to the excess of the amount of the equity transferred to the related entity (70,000 euros) with respect to the result of multiplying by three the equity in the part that corresponds to the taxpayer's participation in the latter [$40\% (50,000 \times 3) = 60,000$] must be integrated into the general tax base. The excess amount, which amounts to 10,000 euros ($70,000 - 60,000$), represents 14.29% of the loan, so the interest to be included in the general tax base will be the result of applying this percentage to the total interest received ($5,000 \times 14.29\% = 714.50$). [\(Back\)](#)

(2) The remaining interest ($5,000 - 714.50 = 4,285.50$) will be included in the savings taxable base. Since there are no deductible expenses in the income to be included in the general tax base, the total amount coincides with the net amount. [\(Back\)](#)

(3) The applicable withholding tax rate in 2025 The tax rate on income from the transfer of own capital to third parties is 19 percent. [\(Back\)](#)

4. Transfer of obligations "T, SA"

(+) Transmission value = 7,210

(-) Acquisition value = 7,815

(-) Total yield = [\(4\)](#) -605

Retention = 0

Note (4) Having acquired bonds of the same company within the period of two months, the negative return obtained cannot be computed until the bonds are sold. [\(Back\)](#)

5. Interest on bonds with bonuses

Total yield = 210

Withholdings actually supported ($1.2\% \text{ s/}210$) = 2.52

Deductible withholdings not made ($22.8\% \text{ s/}210$) = [\(5\)](#) 47.88

Note (5) In addition to the withholdings actually incurred (2.52 euros), the taxpayer can deduct from the tax the withholdings not actually made but which are entitled to a 95% bonus. Since the applicable tax rate on interest in the repealed Capital Income Tax was 24% and the applicable bonus is 95%, the deductible withholdings not made amount to $= (22.8\% \text{ s/}210) = 47.88$ euros. This rate is the result of applying the 95% bonus to 24% ($24\% \times 95\% = 22.8\%$). [\(Back\)](#)

6. Transfer of State Bonds

Transmission value = 30,050

less Acquisition value = 27,600

Total yield = 2,450

Retention = 0

7. Total gross income to be included in the taxable savings base ($400 + 370 + 4,285.50 + 210 + 2,450$) = **7,715.50**

Deductible expenses = 41

Net return = 7,674.50

8. Total gross and net income to be included in the general tax base = 714.50

Income from capitalization operations and life or disability insurance contracts

Introduction

Regulations: Art. 25.3 Law IRPFABBR

The returns, whether in cash or in kind, from capitalization operations and life or disability insurance contracts generate investment income subject to IRPFABBR provided that the policyholder and beneficiary are the same person, except in the case of disability insurance where the beneficiary is the **mortgagee** in which the income will have the same tax treatment as would have been the case if the beneficiary were the taxpayer himself.

Otherwise (that is, when the contractor and beneficiary do not coincide) the receipt will normally be taxed under the Inheritance and Gift Tax.

The following are excluded from this classification as income from movable capital: capitalization operations and life or disability insurance contracts when, in accordance with article 17.2.a) of the Law of IRPFABBR, **must be taxed as employment income**.

Benefits of insurance contracts that are taxed as employment income

Regulations: Art. 17.2 a) Law IRPFABBR

benefits derived from the following insurance contracts entered into within the framework of social security are taxed as employment income:

- Insurance contracts entered into with social security mutual societies whose contributions may have been, at least in part, deductible expenses or subject to reduction in the tax base.
- Company social security plans, as well as collective insurance that implement the pension commitments assumed by companies, in the terms provided for in the First Additional Provision of the consolidated text of the Law on the Regulation of Pension Plans and Funds, approved by Royal Legislative Decree 1/2002, of November 29 (BOE of December 13).
- Insured pension plans.
- Dependency insurance in accordance with the provisions of Law 39/2006, of December 14, on the Promotion of Personal Autonomy and Care for People in Situations of Dependency (BOE of December 15).

As we will see throughout this section, for the purposes of taxing income from movable capital derived from capitalization operations and life or disability insurance contracts, the Law of IRPFABBR establishes distinctions based on the form of receipt of benefits (income or capital), the term of the operations and the coverage of contingencies, such as retirement or disability.

Capitalization operations are considered to be those based on actuarial techniques, which consist of obtaining commitments determined in terms of their duration and amount in exchange for previously established single or periodic disbursements. See the Annex to Law 20/2015, of July 14, on the regulation, supervision and solvency of insurance and reinsurance entities, (BOE of July 15), section B).a).2.

A life insurance contract is a contract in which the insurer is obliged, through the collection of the stipulated premium and within the limits established by law and in the contract, to pay the beneficiary a capital amount, an income or other agreed benefits, in the event of the death or survival of the insured, or both events jointly. Life insurance can be stipulated on one's own life or that of a third party, both in case of death and in case of survival or both together, as well as on one or more heads (Article 83 of Law 50/1980, of October 8, on Insurance Contract).

1. Deferred capital insurance

Regulations: Art. 25.3 a) 1 Law IRPFABBR

Determination of full and net performance

General rules

deferred capital is a type of **life insurance** whereby the insurer undertakes to deliver the insured capital upon expiration of the term agreed upon as the duration of the contract, provided that the insured person is still alive at that time.

a) Full performance

The following rules apply to determine the total yield:

In general:

When deferred capital is received, the return on the movable capital will be determined by the difference between the capital received and the amount of the premiums paid that have generated the capital received. This income is subject to withholding tax.

$$\text{Performance} = \text{Capital received} - \sum \text{Survival premiums}$$

In the case of partial redemptions, the amount redeemed will be deemed to correspond to the oldest premiums including their corresponding profitability.

In particular:

- **In insurance that combines survival with death or disability**

In the case of an insurance contract that combines the contingency of survival with those of death or disability and the capital received corresponds to the contingency of survival, the part of the premiums paid that corresponds to the capital at risk due to death or disability that has been consumed up to that moment may also be deducted, provided that, throughout the term of the contract, the capital at risk is equal to or less than 5% of the mathematical provision. For these purposes, the difference between the capital insured for death or disability and the mathematical provision is considered to be risk capital.

$$\text{Performance} = \text{Capital received} - \sum \text{Survival premiums} - \sum \text{Capital at risk premiums for death or disability consumed}^{(*)}$$

(*) with the limit of 5% of the mathematical provision

- **In annual renewable insurance**

In the case of annual renewable insurance, only the amount of the current year's premium will be taken into account, as this is what determines the amount of capital to be received.

$$\text{Performance} = \text{Capital received} - \text{Premium of the year}$$

b) Determination of net income

Since the possibility of applying deductible expenses is not contemplated for this category of income, the total income coincides with the net income.

Special assumptions

- **Deferred capital insurance that is used to generate income**

Regulations: Art. 25.3 a) 6 Law IRPFABBR

Life or disability insurance policies that provide benefits in the form of capital and said capital is used to establish life or temporary annuities will not be taxed at the time the contingency covered by the insurance occurs, but rather at the time the life or temporary annuities are established in accordance with the regime for these discussed below. To do this, the possibility of conversion must be included in the insurance contract and the capital must not be made available to the taxpayer by any means.

- **Disability insurance whose beneficiary is the mortgage creditor**

Regulations: Fortieth Additional Provision of the Law IRPFABBR

Income derived from the benefit for the contingency of disability covered by insurance will have the same tax treatment that would have corresponded if the beneficiary were the taxpayer himself, that is, they will be considered income from movable capital, when the following requirements are met:

- That it be received by the taxpayer's mortgage creditor as its beneficiary.
- That the taxpayer's mortgage creditor has the obligation to fully or partially amortize the taxpayer's mortgage debt.
- That the mortgage creditor is a credit institution, or another entity that, in a professional manner, carries out the activity of granting mortgage loans or credits.

However, these incomes will in no case be subject to withholding.

Therefore, in this case, when the covered contingency occurs, the cancellation of the mortgage loan by an insurance company with which the taxpayer has taken out life insurance covering the risk of absolute disability, gives rise to a return on movable capital for the difference between the total amount of the insurance benefit corresponding to the credit institution (mortgage creditor) and the amount of the premiums paid in the current year. The amount of the surplus received by the taxpayer will also be considered as income from movable capital in accordance with article 25.3 a) of the Law of IRPFABBR.

Important: *the condition for income derived from life or disability insurance to be taxed in the IRPFABBR It is that the policyholder who contracts and pays the insurance premium (or the insured if the insurance is collective), and the beneficiary of the benefit coincide, except in this special case of insurance in which the beneficiary is the mortgage creditor; Otherwise, the income will normally be subject to Inheritance and Gift Tax.*

Transitional regime for the reduction of life insurance contracts concluded before December 31, 1994

Regulations: Fourth transitional provision of the Law IRPFABBR and art. 93.5 Regulation IRPFABBR

In accordance with the repealed Law 18/1991, of IRPFABBR, the benefits derived from life insurance contracts generated increases or decreases in assets (except those from capitalization operations and those insurance contracts that did not incorporate the minimum risk and duration component determined in Article 9 of the Regulation of IRPFABBR in force at that time) these increases and decreases were subject to the reduction percentages established by the eighth transitional provision of the aforementioned Law 18/1991.

With the entry into force on January 1, 1999 of Law 40/1998, of December 9, this tax treatment disappears, but a transitional regime is introduced that maintains the application of these reduction percentages to the part of the income corresponding to premiums paid before December 31, 1994. This transitional regime has been maintained in the current Personal Income Tax Law in the terms that we will discuss below.

When deferred capital is received, the portion of the total net income corresponding to **premiums paid before December 31, 1994, which was generated before January 20, 2006**, may be reduced as follows:

1. Calculation of total net return

The portion of the total net income obtained that corresponds to each of the premiums paid prior to December 31, 1994 will be determined.

To do this, the total return obtained will be multiplied by the weighting coefficient resulting from the following quotient:

- In the numerator, the result of multiplying the corresponding premium by the number of years elapsed since it was paid until the collection of the payment.
- In the denominator, the sum of the products resulting from multiplying each premium by the number of years elapsed since it was paid until the collection of the payment.

In summary:

$$(Premium \times number \ of \ years \ elapsed \ until \ collection) \div \sum (each \ premium \times number \ of \ years \ elapsed \ until \ collection)$$

2. Calculation of reducible net income

The portion of the net income corresponding to each of the premiums paid prior to December 31, 1994, which was generated prior to January 20, 2006, will be determined.

For this purpose, the amount resulting from the operation mentioned in number 1 will be multiplied. above by the weighting coefficient resulting from the following quotient:

- In the numerator, the time elapsed between the payment of the premium and January 20, 2006.
- In the denominator, the time elapsed between the payment of the premium and the date of collection of the benefit.

In summary:

$$Weighting \ coefficient = Days \ elapsed \ since \ the \ payment \ of \ the \ premium \ until \ 20-01-2006 \div Days \ elapsed \ between \ the \ payment \ of \ the \ premium \ and \ the \ collection \ date$$

3. Joint maximum limit and applicable reduction percentages

The total amount of deferred capital corresponding to life insurance policies to which the transitional regime has been applied, obtained from 1 January 2015 until the time of temporary allocation of the deferred capital, will be calculated, distinguishing the following situations for the purposes of applying the reduction percentages (also called abatement coefficients):

- That the calculated amount** (including the amount of deferred capital obtained to which the transitional regime is intended to be applied) **is less than 400,000 euros** .

In this case, the reduction percentage of 14.28% for each year between the payment of the corresponding premium and 31 December 1994 shall be applied to each of the parts of the net income calculated in accordance with the provisions of point 2 above.

When more than six years have passed between these dates, the percentage to be applied will be 100%.

- b. **That the calculated amount** (including the amount of deferred capital to which the transitional regime is intended to apply) **is greater than 400,000 euros, but the amount of deferred capital obtained to which the transitional regime is intended to apply is less than 400,000 euros** .

In this case, the reduction will be applied to each of the parts of the net income generated before January 20, 2006 that proportionally correspond to the part of the deferred capital that, added to the deferred capital obtained previously, does not exceed 400,000 euros.

- c. **That the amount corresponding to the deferred capital obtained previously is greater than 400,000 euros** .

In this case no reduction will be made.

2. Income insurance

Regulations: Art. 25.3 a) Law IRPFABBR

a) Immediate, life or temporary income insurance

1. Immediate life annuity insurance

Regulations: Art. 25.3 a) 2 Law IRPFABBR

In the case of immediate life annuities, which have not been acquired by inheritance, legacy or any other succession title, the income from movable capital will be considered the result of applying the following percentages to each annuity based on the age of the annuitant at the time of the establishment of the annuity and which will remain constant throughout its validity:

Age of the recipient	Applicable percentage
Under 40 years old	40 percent
Between 40 and 49 years old	35 percent
Between 50 and 59 years old	28 per 100
Between 60 and 65 years old	24 per 100
Between 66 and 69 years old	20 per 100
70 years or older	8 per 100

Note: in accordance with the fifth transitional provision of the Law of IRPFABBR These percentages apply to benefits in the form of annuities received from January 1, 2007, even if the annuities were established before that date.

The portion of income that is considered as income from movable capital, by application of the corresponding percentage, is subject in 2025 to a withholding tax rate of 19 percent.

Note: *It is understood that the income has been acquired by inheritance, legacy or any other succession title, when the acquisition of the same has been motivated by the death of the contractor, if the insurance is individual, or of the insured if the insurance is collective contracted by the company.*

This same tax regime will apply to life annuities received from individual systematic savings plans. that meet the requirements established in the Third Additional Provision of the Law of IRPFABBR, even in cases where the aforementioned individual systematic savings plans are the result of the transformation of certain life insurance contracts formalized before January 1, 2007, in which the contracting party, insured or beneficiary is the taxpayer himself.

See the fourteenth transitional provision of the Law of IRPFABBR relating to the transformation of certain life insurance contracts into individual systematic savings plans. See also Additional Provision Five of the Regulations of IRPFABBR relating to the total or partial mobilization between individual systematic savings plans.

2. Immediate temporary income insurance

Regulations: Art. 25.3 a) 3 Law IRPFABBR

In the case of immediate temporary income, which has not been acquired by inheritance, legacy or any other title of succession, in the terms discussed in the previous section, the result of applying the following percentages to each annuity based on the duration of the income will be considered as income from movable capital:

Duration of the rental	Applicable percentage
Less than or equal to 5 years	12 per 100
Greater than 5 and less than or equal to 10 years	16 per 100
Greater than 10 and less than or equal to 15 years	20 per 100
Over 15 years	25 percent

Note: in accordance with the fifth transitional provision of the Law of IRPFABBR These percentages apply to benefits in the form of annuities received from January 1, 2007, even if the annuities were established before that date.

The portion of income that is considered capital gains by applying the corresponding percentage will be subject to withholding tax.

b) Deferred, life or temporary income insurance

General scheme

Regulations: Articles 25.3 a) 4 Law IRPFABBR (first paragraph) and 18 Regulation IRPFABBR

When deferred, life-long or temporary income is received, which has not been acquired by inheritance, legacy or any other succession title, the return on movable capital will be the result of applying to each annuity the corresponding percentage of those provided for immediate, life-long or temporary income.

For these purposes, deferred income is considered to be established at the moment from which, in accordance with the contracted stipulations, the insurance company is obligated to pay the agreed benefits.

These percentages analyzed in the previous section (immediate, life or temporary income insurance) are the following:

1. Immediate life annuities:

Age of the recipient	Applicable percentage
Under 40 years old	40 percent
Between 40 and 49 years old	35 percent
Between 50 and 59 years old	28 per 100
Between 60 and 65 years old	24 per 100
Between 66 and 69 years old	20 per 100
70 years or older	8 per 100

These percentages will correspond to the age of the annuitant at the time of establishing the annuity and will remain constant throughout its validity.

2. Immediate temporary income:

Duration of the rental	Applicable percentage
Less than or equal to 5 years	12 per 100
Greater than 5 and less than or equal to 10 years	16 per 100
Greater than 10 and less than or equal to 15 years	20 per 100
Over 15 years	25 percent

The **result obtained will be increased by** in the profitability obtained until the income is established, the determination of which will be given by the difference between the current actuarial financial value of the income that is established and the amount of the premiums paid. This return will be distributed linearly over the first 10 years of receiving said annuity if it is for life, or over the years of its duration, with a maximum of 10 years, if the annuity is temporary (Art. 18 Regulation IRPFABBR). The following formula can be used to determine it:

$$(VA - PS) \div \text{No. of years}$$

Being:

- "VA" is the actuarial present financial value of the income being established.
- "PS" the amount of premiums paid.
- "Nº years" is the number of years that the temporary income will last, with a maximum of 10 years. If the annuity is for life, 10 years will be taken as a divisor.

Exception: When the income has been acquired by donation or any other legal transaction free of charge and inter vivos, the return on movable capital will be, exclusively, the result of applying to each annuity the percentage that corresponds to those provided for immediate life or temporary annuities, since the creation of the income was taxed in the Inheritance and Gift Tax.

The portion of income that is considered income from movable capital, by applying the corresponding percentage, will be subject to withholding tax.

Remember: *Life or disability insurance policies that provide benefits in the form of capital and said capital is intended to create life annuities or temporary annuities, provided that this possibility of conversion is included in the insurance contract, will be taxed at the time of creation of the annuities in accordance with the provisions of this section. In no case will this tax regime apply when the capital is made available to the taxpayer by any means.*

Example:

Mr. GAM He signed a deferred life annuity life insurance contract on January 3, 2016, paying an annual premium of 6,000 euros payable on January 5 of each of the years 2016 to 2025, inclusive.

On October 23, 2025, coinciding with his 68th birthday, he began receiving a lifetime annuity of 10,000 euros per year.

Determine the net return on movable capital knowing that, according to the certification of the insurance company's actuary, the current actuarial financial value of the life annuity to be collected amounts to 70,000 euros.

Solution:

The net return on movable capital will be given by the sum of:

Percentage applicable to the annuity: $20 \text{ per } 100 \text{ s}/10,000 = 2,000$

Profitability until the creation of income: $(70,000 - 60,000) \div 10 (*) = 1,000$

Return on capital assets: $2,000 + 1,000 = 3,000$

Note to example:

(*) The return obtained until the income is established, the difference between the current actuarial financial value of the income being established (70,000 euros) and the amount of the premiums paid ($6,000 \times 10 = 60,000$), is distributed linearly over the first ten years of collection of the income, so that from the eleventh year onwards the return on movable capital will consist exclusively of 2,000 euros, since the applicable percentage based on the age of the annuitant at the time of the income being established (68 years) remains constant throughout the term of the income. [\(Back\)](#)

Special regime of retirement and disability benefits

Regulations: Articles 25.3 a) 4 Law IRPFABBR (second paragraph) and 19 Regulation IRPFABBR

Retirement and disability benefits received in the form of income by beneficiaries of life or disability insurance contracts in which there has been no type of mobilization of the provisions of the insurance contract during its validity, will be integrated into the tax base as income from movable capital, from the moment in which **their amount exceeds the premiums that have been paid** under the contract.

In the event that the income has been acquired by donation or any other legal transaction, free of charge and inter vivos, it will be included in the tax base as income from movable capital, from the moment in which its amount exceeds the actuarial present value of the income at the time of its creation.

In both cases, ## the percentages provided for immediate life or temporary annuities will not apply. The application of this regime is also conditional upon compliance with the following requirements (Art. 19 Regulation IRPFABBR):

1. That the insurance contract has been taken out at least two years prior to the retirement date.
2. The contingencies covered must be those provided for in article 8.6 of the consolidated text of the Law on the Regulation of Pension Plans and Funds, approved by Royal Legislative Decree 1/2002, of November 29 (BOE of December 13).

In accordance with the provisions of the aforementioned article, the contingencies covered by the Pension Plans and for which benefits will be paid are the following: retirement; total and permanent incapacity for work in the usual profession, or absolute and permanent incapacity for any work, and severe disability, determined in accordance with the corresponding Social Security Regime; death of the participant or beneficiary, which may give rise to the right to widowhood or orphanhood benefits, or in favour of other heirs or

designated persons and severe or great dependency of the participant regulated in Law 39/2006, of December 14, on the promotion of personal autonomy and care for people in situations of dependency (BOE of December 15).

3. It will be understood that some type of mobilization of the provisions of the insurance contract has occurred when the limitations established in the First Additional Provision of the consolidated text of the Law on the Regulation of Pension Plans and Funds, and its implementing regulations, regarding collective insurance that implements company pension commitments, are breached.

Note: *If the above requirements are met, this special regime is applied with preference to the general regime mentioned above.*

Example:

Mr. JPN He signed a deferred life annuity life insurance contract on May 10, 2017, paying an annual premium of 5,000 euros payable on May 10 of each year from 2017 to 2025, inclusive.

On May 13, 2025, coinciding with his 65th birthday and his retirement date, he began receiving a lifetime annuity of 4,500 euros per year.

Determine the net return on movable capital knowing that, according to the certification of the insurance company's actuary, the current actuarial financial value of the life annuity to be collected amounts to 65,000 euros.

Solution:

Applying the special retirement benefits regime, the following results:

Income from movable capital during the first 10 years of income collection:

Income received $(4,500 \times 10) = 45,000$

Premiums paid $(5,000 \times 9) = 45,000$

Income from movable capital during the first ten years of income collection $(45,000 - 45,000) = 0$

Income from movable capital from the eleventh year of income collection = 4,500 euros each year.

c) Extinction of temporary or life annuities in the exercise of the right of redemption

Regulations: Art. 25.3 a) 5 Law IRPFABBR

The return on movable capital in these cases, provided that the income has not been acquired by inheritance, legacy or any other succession title, will be the result of the following operation:

- (+) Ransom amount
- (+) Income paid up to the time of redemption
- (-) Satisfied premiums
- (-) Amounts that have been taxed as income from movable capital, in accordance with the provisions of the previous numbers
- (-) Accumulated profitability until the creation of income (*)
- (=) Return on movable capital**

(*) Only in cases where the income has been acquired by donation or any other legal transaction free of charge and inter vivos and when it concerns income whose creation occurred prior to the entry into force of Law 40/1998, of December 9, on Personal Income Tax (January 1, 1999) for the profitability that was already taxed previously. [\(Back\)](#)

When the termination of the income occurs as a result of the death of the recipient, no capital gains are generated for the recipient.

Benefits received as an annuity upon the death of the beneficiary are subject to Inheritance and Gift Tax, and therefore are not taxed in the IRPFABBR.

3. Life or temporary annuities derived from the imposition of capital

Regulations: Art. 25.3 b) Law IRPFABBR

In life annuities or other temporary annuities that result from the imposition of capital, except when they have been acquired by inheritance, legacy or any other succession title, the return on movable capital will be the result of applying to each annuity the percentages provided, respectively, for the [immediate life annuities or temporary annuities](#) derived from life insurance contracts.

Remember

- **In the case of immediate life annuities** derived from life insurance contracts, which have not been acquired by inheritance, legacy or any other succession title, the result of applying the following percentages to each annuity will be considered as income from movable capital based on the age of the annuitant at the time of the establishment of the annuity:

Age of the recipient	Applicable percentage

Under 40 years old	40 percent
Between 40 and 49 years old	35 percent
Between 50 and 59 years old	28 per 100
Between 60 and 65 years old	24 per 100
Between 66 and 69 years old	20 per 100
70 years or older	8 per 100

These percentages, which will correspond to the annuitant's age at the time of establishing the annuity, will remain constant throughout the annuity's validity.

- **In the case of immediate temporary income** derived from life insurance contracts, which have not been acquired by inheritance, legacy or any other succession title, the result of applying the following percentages to each annuity based on the duration of the income will be considered as income from movable capital:

Duration of the rental	Applicable percentage
Less than or equal to 5 years	12 per 100
Greater than 5 and less than or equal to 10 years	16 per 100
Greater than 10 and less than or equal to 15 years	20 per 100
Over 15 years	25 percent

4. Special case: "Unit Linked" (life insurance contracts in which the policyholder assumes the investment risk)

Regulations: Art.14.2. h) of the Law IRPFABBR

"unit linked" are life insurance policies in which the policyholder can decide and modify the financial assets in which he wishes to materialize the technical provisions corresponding to his insurance, assuming the investment risk.

Taxation

Depending on whether or not these insurance contracts meet the conditions indicated below, two different tax regimes may apply to them:

a) If the insurance contract meets any of the legally established conditions for this purpose throughout the duration of the contract: The applicable tax regime is that of life insurance contracts set out in the previous sections within "[Income from capitalisation operations and life or disability insurance contracts](#)", without the transfers made between the assets suitable for materialising the investments having any tax relevance.

b) If the insurance contract does not comply with the legally established conditions for this purpose throughout the duration of the contract: the policyholder **must impute in each tax period** as income from movable capital **the difference between the net asset value of the assets affected by the policy at the end and at the beginning of tax period** .

In this case, the imputed amount will reduce the income derived from the receipt of amounts from these contracts.

Legal conditions that must be met throughout the life of the contract for the general regime of life insurance contracts to be applicable:

1. That the policyholder is not granted the power to modify the investments affected by the policy.
2. That the mathematical provisions are invested in:
 - a. Shares or units of collective investment institutions, predetermined in the contracts, provided that:
 - These are collective investment institutions adapted to Law 35/2003, of November 4, on Collective Investment Institutions (BOE of November 5).
 - These are collective investment institutions covered by Directive 2009/65/ of July of the European Parliament and of the Council.
 - b. Sets of assets reflected separately on the insurance company's balance sheet, provided that the following requirements are met:

- The determination of assets must, at all times, be the responsibility of the insurance entity.
- The investment of the provisions of each set of assets must be made in assets that comply with the rules established in article 89 of Royal Decree 1060/2015, of November 20, on the regulation, supervision and solvency of insurance and reinsurance entities. In no case may this concern real estate or real estate rights.

However, those asset groups that seek to develop an investment policy characterised by reproducing a certain stock market or fixed-income index representative of one of the official secondary securities markets of the European Union will be deemed to meet such requirements.

- The policyholder will only have the power to choose, between the different separate sets of assets in which the insurance company must invest the mathematical provision of the insurance, without in any case being able to intervene in the determination of the specific assets in which, within each separate set, the provisions are invested.

In these contracts, the policyholder or the insured may choose, in accordance with the specifications of the policy, between the different collective investment institutions or separate sets of assets, expressly designated in the contracts, without there being any specific specifications for each policyholder or insured.

Note: *If only one of the above circumstances occurs, the special rule of temporary imputation contemplated in article 14.2.h) of the Personal Income Tax Law will not apply.*

5. Individual systematic savings plans (PIAS)

Regulations: Third Additional Provision of the Law IRPFABBR

Individual Systematic Savings Plans (PIAS) are contracts signed with insurance companies to establish an insured life annuity with the resources contributed, to which the Personal Income Tax Law grants a more beneficial tax treatment, when the following requirements are met:

Instrumentation and form of perception of benefits

Instrumentation

The resources contributed must be implemented through individual life insurance in which the contracting party, insured and beneficiary is the taxpayer himself.

Life insurance policies suitable for this contractual formula will not be group insurance policies that implement pension commitments in accordance with the First Additional Provision of the consolidated text of the Law on the Regulation of Pension Plans and Funds, nor social security instruments that reduce the taxable base of IRPFABBR.

The contract terms and conditions will expressly and prominently state that this is a systematic individual savings plan and its acronym is reserved for contracts that meet the requirements set forth in the Personal Income Tax Law.

Form of perception of benefits

The life annuity will be constituted with the economic rights arising from said life insurance policies. In life annuity contracts, reversal mechanisms or certain benefit periods or counter-insurance formulas may be established in the event of death once the life annuity has been established.

The **reversal mechanism** in insurance contracts is the procedure by which the insured (who, in the case of PIAS, is the first beneficiary) can transfer, after his death, all or part of the life annuity to a new beneficiary.

Life annuity insurance contracts with **certain benefit periods** are those in which it is guaranteed that the income will be received for a minimum number of years even if the insured and initial beneficiary of the income dies (logically, in the event of the death of the insured, the income will be received by the beneficiary designated for that purpose).

Finally, the **counterinsurance formulas** (the most used in insurance practice) are those that guarantee the designated beneficiary a capital amount in the event of the death of the insured.

However, in order to ensure that the application of the exemption provided for in Article 7.v) of the Law of IRPFABBR It fulfills the intended purpose; this requirement applies to contracts entered into subsequently. **April 1, 2019** in which reversion mechanisms, certain benefit periods or counter-insurance formulas in case of death are established, compliance with the following requirements (Ninth Additional Provision of the Personal Income Tax Regulations):

- a. In the case of reversal mechanisms in the event of the death of the insured, **there may only be one potential beneficiary of the life annuity who reverts**.
- b. In the case of certain benefit periods, said periods may not exceed **10 years** from the establishment of the life annuity.
- c. In the case of counter-insurance formulas, the total amount to be received on the occasion of the death of the insured **may at no time exceed the following percentages with respect to the amount allocated to the creation of the life annuity:**

Years since the establishment of the life annuity	Percentage
1st	95 percent
2nd	90 percent
3rd	85 percent
4th	80 percent

Years since the establishment of the life annuity	Percentage
5th	75 percent
6th	70 percent
7th	65 percent
8th	60 percent
9th	55 percent
10th and above	50 percent

Important : *The requirements established for cases in which there are reversal mechanisms, certain benefit periods or counter-insurance formulas in the event of death on insured life annuity contracts will not apply to life insurance contracts entered into prior to April 1, 2019, regardless of whether the life annuity is established after that date.*

Minimum contribution period. Maximum annual contribution and total amount of accumulated premiums

Minimum contribution period

- **In general:**

first premium paid be more than five years old at the time of establishment of the life annuity.

- **Transitory rules: Seniority requirement for the purposes of processing Individual Systematic Savings Plans for insurance contracts entered into before January 1, 2015.**

Regulations: Transitional provision thirty-first Law IRPFABBR

For Individual Systematic Savings Plans formalized before January 1, 2015, the five-year requirement will also apply (and not the additional ten-year requirement that was required until December 31, 2014).

However, the transformation of an Individual Systematic Savings Plan formalized before January 1, 2015, or of an insurance contract regulated in the fourteenth transitional provision of this Law, by modifying its expiration date, with the exclusive purpose of anticipating the constitution of the life annuity to a date that meets the requirement of five years from the payment of the first premium required by the aforementioned provisions, will not have tax effects for the policyholder.

Maximum annual contribution and total amount of accumulated premiums

- The **annual maximum limit** satisfied in terms of premiums for this type of contract will be **8,000 euros** , and will be independent of the limits on contributions to social security systems.
- Likewise, the **total amount of the accumulated premiums** in these contracts may not exceed the total amount of **240,000 euros per taxpayer** .

Provision of economic rights and taxation of the insured annuity

Provision of economic rights

In the event of total or partial disposal by the taxpayer of the accumulated economic rights before the establishment of the life annuity, tax will be levied in accordance with the provisions of the Law of IRPFABBR in proportion to the disposition made. For these purposes, the amount recovered shall be deemed to correspond to the premiums paid in the first place, including their corresponding profitability.

The policyholders of individual systematic savings plans may, by unilateral decision, transfer their mathematical provision to another individual systematic savings plan of which they are policyholders. The total or partial transfer of a systematic savings plan to another will follow, as far as applicable, the procedure relating to insured pension plans (Additional Provision Five of the Personal Income Tax Regulations).

In the event of advance payment, in whole or in part, of the economic rights derived from the established life annuity, the taxpayer must integrate into the tax period in which the advance payment occurs, the income that was exempt by application of the provisions of letter v) of article 7 of the Personal Income Tax Law.

Taxation of insured life annuities

- The profitability** that is demonstrated in the constitution of the insured life annuity (difference between the actuarial current value of the annuity and the sum of the premiums paid) **is exempt from personal income tax** , in accordance with the provisions of article 7.v) of the Personal Income Tax Law.
- The life annuity** received **will be taxed** in accordance with the percentages established for immediate life annuities.

For these purposes, it should be noted that, in the case of immediate life annuities that have not been acquired by inheritance, legacy or any other succession title, the result of applying the following percentages to each annuity is considered to be income from movable capital:

Age of the recipient	Applicable percentage
Under 40 years old	40 percent

Between 40 and 49 years old	35 percent
Between 50 and 59 years old	28 per 100
Between 60 and 65 years old	24 per 100
Between 66 and 69 years old	20 per 100
70 years or older	8 per 100

These percentages will correspond to the age of the annuitant at the time of establishing the annuity and will remain constant throughout its validity.

6. Long Term Savings Plans

Regulations: Twenty-sixth Additional Provision of the Law IRPFABBR

Long-Term Savings Plans are set up as contracts entered into between the taxpayer and an insurance or credit entity that meets the following requirements:

Instrumentation

Long-Term Savings Plans can be implemented in two ways:

a. Individual Life Insurance

The Individual Long-Term Savings Insurance (SIALP) is configured as an individual life insurance different from those provided for in article 51 of this Law (social security systems: pension plans, mutual social security funds, insured pension plans, company social security plans and private insurance that covers exclusively the risk of severe or great dependency), which do not cover contingencies other than survival or death, in which the taxpayer himself is the contractor, insured and beneficiary except in the case of death.

The contract terms and conditions shall expressly and prominently state that this is an Individual Long-Term Savings Insurance and its acronym (SIALP) is reserved for contracts signed after 1 January 2015 that meet the requirements set out in this Law.

Long-Term Savings Plans can be implemented through one or successive Long-Term Individual Life Insurance Plans.

b. Deposits and financial contracts

Long-Term Savings Plans can also be implemented through deposits and financial contracts integrated into the so-called **Individual Long-Term Savings Account**.

The **Individual Account Long-Term Savings (CIALP)** is configured as a money deposit contract entered into by the taxpayer with a credit institution, against which one or more money deposits may be made, as well as financial contracts as defined in the last paragraph

of section 1 of article two of Order EHA /3537/2005, of November 10, which develops article 27.4 of Law 24/1988, of July 28, on the Securities Market, under the conditions of which it is provided that both the contribution and the settlement at maturity will be made in all cases exclusively in money.

The financial contracts referred to above are contracts not negotiated on official secondary markets through which a credit institution receives money or securities, or both, from its clients, assuming a repayment obligation consisting either of the delivery of certain listed securities, or of the payment of a sum of money, or both, depending on the evolution of the price of one or more securities, or on the evolution of a stock market index, without any commitment to repay the entire principal received.

Please note that Royal Decree 814/2023, of November 8, on financial instruments, admission to trading, registration of negotiable securities and market infrastructures has repealed with effect from November 29, 2023 both Order EHA /3537/2005, of November 10, and Royal Decree 1310/2005, of November 4, which partially develops Law 24/1988, of July 28, on the Securities Market, regarding the admission to trading of securities on official secondary markets, public offers for sale or subscription and the prospectus required for such purposes.

These deposits and financial contracts must be contracted by the taxpayer with the same credit institution in which the Long-Term Individual Savings Account was opened. The returns will be compulsorily integrated into the Individual Account and will not be computed towards the limit of 5,000 euros to which we refer in the section on characteristics and requirements of the Long-Term Savings Plans.

The Long-Term Individual Savings Account must be uniquely identified and separated from other forms of taxation. Likewise, deposits and financial contracts included in the Account must contain a reference to the latter in their identification.

The contract terms and conditions shall expressly and prominently state that this is a Long-Term Individual Savings Account and its acronym (CIALP) is reserved for contracts entered into after January 1, 2015, which meet the requirements set forth in this Law and shall include deposits and financial contracts entered into after that date.

Features and requirements

a. Number of plans per taxpayer

A taxpayer **may only be the simultaneous holder of one Long-Term Savings Plan** (insurance or account), without prejudice to the possibility of transferring the economic rights of individual long-term savings insurance and the funds held in individual long-term savings accounts from one Plan to another.

b. Opening and extinction

- **The Long-Term Savings Plan will be opened when the first premium** is paid to the Individual Long-Term Savings Insurance (SIALP), **or the first contribution** is made to the Individual Long-Term Savings Account (CIALP), as applicable.
- **Termination** , at the time when the taxpayer makes any provision or fails to comply with the maximum limit of annual contributions.

For these purposes, in the case of Individual Long-Term Savings Insurance, it is not considered that provisions are made when, upon maturity, the insurance company allocates, by order of the taxpayer, the full amount of the benefit to a new Individual Long-Term Savings Insurance contracted by the taxpayer with the same company.

In these cases, the contribution of the benefit to the new insurance will not count towards the limit of 5,000 euros indicated in the following section, and for the calculation of the 5-year period provided for in article 7.ñ) of the Law of IRPFABBR For the application of the exemption of positive returns on movable capital, the first premium paid to the first insurance policy through which the contributions to the Plan were implemented will be taken as a reference.

c. Maximum contribution

Contributions to the Long-Term Savings Plan **may not exceed 5,000 euros per year** in any of the years during which the Plan is in force.

If this amount is exceeded in any of the years, the right to exemption is lost.

d. Form of perception

The taxpayer's disposition of the capital resulting from Plan **may only occur in the form of capital, for the total amount** thereof, and it is not possible for the taxpayer to make partial dispositions.

e. Insured capital

The insurance company or, where applicable, the credit institution, must guarantee the taxpayer the receipt, upon maturity of the individual life insurance or upon maturity of each deposit or financial contract, of at least capital equivalent to 85% of the sum of the premiums paid or the contributions made to the deposit or financial contract.

Notwithstanding the foregoing, if the aforementioned guarantee is less than 100%, the contracted financial product must have a maturity of at least one year.

Taxation and mobilization of economic rights

Taxation

a. Positive capital gains: exemption

- Rating of the capital gains from long-term savings plans:
 - Individual Long-Term Savings Insurance (SIALP): Income from capitalization operations and life or disability insurance contracts (Art. 25.3 Law IRPFABBR).
 - Individual Long-Term Savings Account and its acronym (CIALP): Income from the transfer of own capital to third parties (Art. 25.2 Law IRPFABBR).

- Positive returns on personal capital from life insurance, deposits and financial contracts through which Long-Term Savings Plans are implemented will be exempt provided that the taxpayer does not make any withdrawal of the capital resulting from the Plan before the end of the 5-year period from its opening.
- If before the end of the 5-year period any disposition of the resulting capital occurs or the limit on annual contributions is breached, the taxpayer will be obliged to integrate the income generated during the validity of the Plan into the tax period in which such breach occurs.

In these cases, the credit institution or insurance company with which the taxpayer has contracted the long-term savings plan will be obliged to make a withholding or payment on account, which in 2025 was 19 percent on the positive returns on movable capital obtained since the opening of the Plan, including those that may be obtained due to the termination of the Plan (Art. 75.4 Regulation IRPFABBR).

b. Negative capital gains

Any negative capital gains that may be obtained during the term of the Long-Term Savings Plan, including any that may be obtained upon termination of the Plan, will be imputed to the tax period in which **termination** and only to the extent of the total amount of such negative gains that **the sum of the gains from the same** to which the exemption would have been applied.

Mobilization of economic rights

The holder of a Long-Term Savings Plan may transfer all the economic rights of the individual long-term savings insurance and the funds held in the individual long-term savings account to another Long-Term Savings Plan of which they will be the holder, without this implying the disposal of the resources and, consequently, without loss of the tax benefit of the exemption of positive returns on movable capital, provided that the transfer complies with certain requirements established in the Eighth Additional Provision of the Regulation of IRPFABBR.

Mobilization will not be possible in cases where the economic rights or funds are subject to any embargo, charge, pledge or limitation of legal or contractual provision.

Income to be integrated into the general tax base

Regulations: Art. 25.4 Law IRPFABBR

Conditions

The income that must be included in the general taxable base, and whose taxation is carried out at the corresponding marginal rate of the scales of IRPFABBR They are as follows:

- **Income from intellectual property when the taxpayer is not the author**

This assumption may occur in cases where the beneficiary or recipient of the income derived from intellectual property is a third party **other than the author** such as, for example, an heir.

The withholding tax rate applicable to income from movable capital derived from intellectual property when the taxpayer is not the author is 15 percent in 2025. However, the rate of 7% will apply:

- When the rights are generated by a taxpayer whose gross income corresponding to the immediately preceding fiscal year for such concept was less than 15,000 euros and represents more than 75% of the sum of the gross income from economic activities and work obtained by the same in said fiscal year (that is, they constitute his/her main source of income).
- In the case of advances on account arising from the transfer of the exploitation of copyright that will accrue over several years.

Returns received by the authors themselves: the returns on intellectual property received by the **authors themselves** are considered tax income from work, provided that the right to exploit them is transferred. However, when this activity involves the self-management of means of production and human resources, or one of both, with the aim of participating in the production or distribution of goods or services, they are classified as income from professional or artistic activities.

Finally, when right to exploit it is not transferred, it will be classified as income derived from business activities .

• Income from industrial property

In order for the income derived from industrial property to be considered as income from movable capital, it is necessary that the industrial property **is not affected** by economic activities carried out by the taxpayer, since in this case the income must be included among those derived from said activities.

• Income from the provision of technical assistance

As in the previous case, the consideration of these returns as derived from movable capital is conditional on the fact that the technical assistance **is not provided within the scope of an economic activity** , in which case the returns will be included among those derived from the economic activity carried out.

• Income from leasing of movable property, businesses or mines

They are classified as income from movable capital provided that the leasing does not constitute an economic activity in itself.

Now, in relation to the leasing of movable property, it should be noted that if these are **leased together with the real estate** in which they are located, the income obtained will be computed entirely among those from the **real estate capital** .

Likewise, a distinction must be made between the leasing of a business and that of a business premises:

- a. **Business Lease:** If the object of the lease agreement is not only movable and immovable property, but also an economic unit with its own entity capable of being immediately exploited, or pending mere administrative formalities to be so, it is a business lease and the income received will be computed among those from movable capital.
- b. **Lease of business premises:** If the object of the lease is only the business premises, the income will be considered to come from real estate capital.

• Income from subleasing received by the sublesser

The income from subleasing that is received by the sub-lessor is considered to be income from movable capital, **provided that it does not constitute an economic activity**. The income received by the owner of the property or the real right thereon is considered to be income from real estate capital.

• Income from the transfer of the right to exploit the image

The amounts received by the taxpayer for the transfer of the right to exploit his/her image or the consent or authorization for its use are considered income from movable capital, **unless the transfer takes place within the scope of an economic activity**, in which case, it is classified as income from the economic activity.

When the income is received by persons or companies that are assignees of the right to exploit the image or of the consent or authorization for its use, the [regime of imputation of income for the transfer of image rights](#) is applicable, the commentary of which is made in Chapter 10.

Remember: the returns obtained from the transfer to third parties of own capital that comes from entities related to the taxpayer in the terms established in article 18 of the LIS that correspond to the excess of the amount of own capital transferred to the related entity with respect to the result of multiplying by three the equity, in the part that corresponds to the taxpayer's participation, of the latter, form part of the general tax base.

Deductible expenses

Regulations: Articles 26.1 b) Law IRPFABBR and 20 Regulation IRPFABBR

In the following cases:

- Income from the provision of technical assistance.
- Income from the leasing of movable property, businesses or mines.
- Income from subleasing received by the sublessor.

The expenses necessary to obtain them, as well as the amount of the deterioration suffered by the assets or rights from which the income comes, will be deductible from the total income.

For these purposes, the expenses considered deductible are those provided for as such for the [real estate capital gains](#) discussed in the previous chapter, the exception that the limit provided for interest and other financing expenses and repair and maintenance expenses is not applicable, so in this case they may give rise to negative returns.

Likewise, the determination of deductible expenses does not include the amortization of the real estate to be subleased, since it is necessary that the amortization falls on real estate owned by the taxpayer, which does not occur in the case of subleasing.

Reduction for returns with a generation period of more than two years or obtained in a notoriously irregular manner over time

Regulations: Articles 26.2 Law IRPFABBR and 21 Regulation IRPFABBR

Reduction 30%

The net amount of income included in the general tax base may be reduced by 30% in the following cases:

- **Net income whose generation period is greater than two years, provided that it is attributed to a single tax period.**
- **Net income obtained in a notoriously irregular manner over time, when they are imputed in a single tax period .**

For these purposes, the following are considered to be income from movable capital, obtained in a notoriously irregular manner over time, exclusively, provided that, in addition, they are imputed in a single tax period:

- a. Amounts obtained from the transfer or assignment of the lease contract.
- b. Compensation received from the tenant or subtenant for damages or defects, in the case of leasing.
- c. Amounts obtained from the creation or transfer of lifelong rights of use or enjoyment.

Maximum amount of performance to which the reduction applies

The amount of net income to which the reduction will be applied may not exceed the amount of **300,000 euros per year** .

In the event that several irregular returns of the same nature are obtained, and their amount exceeds the limit of 300,000 euros of maximum amount on which to apply the 30% reduction, the maximum reduction will be distributed proportionally between all the returns of that nature.

Transitory rules: Income received in installments before January 1, 2015

Regulations: Twenty-fifth transitional provision of the Law IRPFABBR

Income from movable capital, with a generation period of more than two years, which was received in installments prior to 1 January 2015, with the right to apply the reduction in article 26.2 of the Personal Income Tax Law as worded as of 31 December 2014, may continue to apply the reduction for irregularities provided for in the aforementioned article, with the current reduction of 30% and the limit of the maximum reduction base of 300,000 euros, to each of the installments imputed as of 1 January 2015, provided that the quotient resulting from dividing the number of years of generation, computed from date to date, by the number of tax periods of installment payment, is greater than two.

However, in the case of income derived from commitments acquired prior to 1 January 2015, which were scheduled to begin being collected in installments in tax periods beginning on or after that date, the substitution of the initially agreed method of collection for collection in a single tax period will not alter the start of the period for generating the income.

Valuation of income from movable capital in kind

The recipient must include, as gross income, **the result of adding the amount of the advance payment to the market value of the good, right or service received**, except in cases where said payment on account has been passed on to him (Art. 43.2 Law IRPFABBR).

The advance payment must be determined by the person or entity paying this type of remuneration by applying the percentage corresponding to the result of **increase by 20 percent the acquisition value or cost to the payer of the good, right or service delivered** (Art. 103 Regulations) IRPFABBR).

The aforementioned data must appear in the certification that, for these purposes, the paying person or entity is obliged to provide to the recipient. In short, the total income corresponding to this type of remuneration will be determined as follows:

$$\text{Gross income} = \text{Market value} + \text{Unreturned income on account}$$

For the valuation of in-kind returns on movable capital derived from **Enjoy free with a partner** When considering the value of a company asset, one must take into account the purpose for which the asset was acquired:

In the event that the asset forms part of the company's assets intended for its exploitation **in the course of their ordinary activities**, With which the asset will have been acquired for that purpose (for its activities), the tax regularization must be carried out in accordance with article 41 of the Law of IRPFABBR, relating to related-party transactions. For example, this will happen when that company is dedicated to the purchase and sale of yachts and/or the rental of them for periods of time, and has several intended for that purpose, and the partner has free use of one of them for certain periods of time.

In contrast, when **a partner in a company enjoys certain assets free of charge** of that company, and it concerns assets that the company specifically has for that purpose, such as when the asset has been acquired specifically for the partner to enjoy without consideration (**company with industrial activity**), the regularization must be carried out in accordance with articles 25.1.d) and 43 of the Law of IRPFABBR. For example, when that company is a construction company, which has acquired the yacht precisely so that the partner can enjoy it without paying anything in return.

See the criteria set by the TEAC in its Resolution of September 24, 2025, Claim number 00/07312/2024, issued in an extraordinary appeal for the unification of criteria, which analyzes the second of the aforementioned cases.

Example:

On June 30, 2025, the financial institution "XX" delivers to Ms. BLH, for the deposit of 150,000 euros in a fixed term for 3 years, a computer equipment whose acquisition cost for the bank amounted to 1,200 euros. The computer is delivered at the time of imposition. The market value of this computer is 1,800 euros.

Determine the total income that Mrs. BLH must be entered in the declaration for this concept.

Solution:

The total taxable income from the delivery of the computer equipment will be:

Market value: 1,800.00

further: Deposit into account (19% s/1,440) [\(1\)](#): 273.60

Total income: 2,073.60

Note to example:

(1) The income on account has been determined by the financial institution according to the following detail:

- Acquisition cost: 1,200.00
- 20% increase: 240,00
- Basis of income on account: 1,440.00
- Amount of the payment on account (19% s/1,440): 273.60

The withholding tax rate applicable in 2025 to income from the transfer of own capital to third parties is 19 percent.

[\(Back\)](#)

Individualization of income from movable capital

Regulations: Art. 11.3 Law IRPFABBR

Income from movable capital corresponds to taxpayers who are owners of the assets, property or rights from which said income comes. Therefore, the aforementioned holders will be the ones who must include the corresponding income in their personal income tax return.

When the ownership of the assets or rights is not duly accredited, the Tax Administration shall have the right to consider as the owner the person who appears as such in a tax register or in any other public register.

In cases where ownership of the assets or rights corresponds to several persons, the income will be considered to be obtained by each of them in proportion to their participation in said ownership. Consequently, each of the co-owners must declare as total income and deductible expenses the amounts resulting from applying, respectively, to the total income and expenses produced by the asset or right in question, the percentage that represents their participation in the ownership of the same.

Remember : *In the case of marriages, the income from assets and rights that, in accordance with the provisions regulating the economic regime of the marriage, are common to both spouses, will correspond equally to each of them (unless a different share of participation is justified). On the contrary, income from assets or rights that, in accordance with the same rules, are the exclusive property of either of the spouses, will correspond entirely to that spouse.*

Temporary allocation of income from movable capital

a) General rule

Regulations: Art. 14.1 a) Law IRPFABBR

Income from movable capital, both income and expenses, must be attributed to the tax period in which they are payable by the recipient, regardless of when the income was collected and the expenses were paid.

b) Special rules

- **Yields pending court ruling**

Regulations: Art. 14.2.a) Law IRPFABBR

When all or part of a return has not been paid because the determination of the right to its collection or its amount is pending a judicial resolution (not merely a lack of payment), the unpaid amounts will be charged to the tax period in which the judicial ruling **becomes final**.

- **Estimated returns on movable capital**

Regulations: Art. 14.2.f) Law IRPFABBR

The estimated returns on movable capital will be allocated to the tax period **in which they are understood to have occurred**. This period will coincide with the period in which the provision of the good or right generating the income was carried out.

- **Income derived from the transfer of the exploitation of copyright**

Regulations: Art. 7.3 Regulations IRPFABBR

In the case of capital gains derived from the transfer of the exploitation of copyright that accrue over several years, the taxpayer may choose to impute the **advance on account of the same as the rights** accrue.

***Note:** If the taxpayer chooses to charge the advance payment as the royalties accrue, he/she must check box **[0049]** on the declaration.*

- **Negative returns from the transfer of financial assets**

Regulations: Art. 25.2 Law IRPFABBR

When the taxpayer has acquired homogeneous financial assets within the two months prior to or after said transfers, they will be integrated into the taxable base of savings **as the financial assets** that remain in the taxpayer's assets are transferred.

- **Benefits derived from life and disability insurance contracts**

Benefits derived from life and disability insurance contracts that generate capital gains will be allocated to the tax period corresponding to the moment in which, **once the contingency covered** in the contract has occurred, **the benefit becomes payable** by the beneficiary of the insurance.

Practical case

Marriage formed by Mr. LCA and Mrs. DZH, aged 76 and 75, respectively, married under a community property regime.

During the year 2025 The following events with tax implications have taken place:

- May 2nd 2011100 signed **convertible bonds** and issued 14 years after the "**PS**" **Society** for its nominal amount equivalent to 6,000 euros, plus the equivalent of 60 euros in fees and expenses.

The agreed interest rate is 7.5%, payable annually during the month of May, with an additional conversion premium provided for, consisting of a 20% reduction on the stock market price of the shares of Company "PS" on the day of conversion.

On May 2nd 2025 The bonds were converted into shares, receiving 500 shares of 6 euros each, which were valued for these purposes at 200 percent. The average change in the stock market session that day was 250 percent.

- In 1997 they acquired some **shares of "TPS"**, for the financing of which they requested a bank loan. In March 2025 they perceived **dividends** of said company for a total amount of 1,502 euros, paying as administration and deposit expenses for these securities the amount of 90 euros.
- December 31st 2025 he **TZ bank** He informs them that, during that year, he has paid 37 euros into his current account, as payment of **interests** produced by the current account. A withholding tax of 7.03 euros is recorded on the interest paid in May.
- On July 10, 2007, they subscribed for a full amount of 40,000 euros to securities issued by **bank "ZZ"** which were in the nature of **preferred shares** in accordance with Law 13/1985. October 15th 2025 These securities were converted into obligations of the bank itself for a nominal amount equivalent to 38,100 euros, with the bank taking charge of the fees and expenses inherent to the operation.

November 25th 2025 The bonds were exchanged for 5,000 shares of the "ZZ" bank. The market value of the shares received at the time of the exchange was 8.10 euros/share.

- Since Mr. LCA He left his direct operation upon retirement, the couple has leased a cafeteria establishment owned by both. The rental fee during the year 2025 It was 1,300 euros per month, the tenant having made the corresponding withholding tax when making each of the payments. The lease of a cafeteria includes both the premises and all the facilities and furniture, with the tenant being responsible for replacing the kitchenware, crockery and table linen, as well as purchases and current expenses incurred by the ordinary operation of the business.

The effective depreciation of the premises, acquired in 1988 and used since then for the cafe business that the couple now leases, amounts to 900 euros during the year 2025.

The furniture was acquired on December 31st. 2018 for an amount of 15,000 euros, being fiscally admissible in 2025 apply a 10 percent amortization.

Expenses paid by the couple in relation to the cafeteria during the fiscal year 2025The following amounts are obtained:

- 1,100 euros, for repair of the air conditioning system.
- 800 euros, from the Property Tax receipt (Urbana).
- 360 euros, for administration costs.

Mr. LCA and Mrs. DZH choose to file a joint return in the IRPFABBR.

Determine the net return on movable capital to be included in the general tax base and in the savings tax base.

Solution:

Previous note: Since this is a marriage under a community property regime and all income comes from assets whose ownership belongs jointly to both spouses, the income will correspond equally to each of them. Therefore, if they had chosen to file individual returns, each would include in their return half of the taxable income and half of the tax-deductible expenses determined below.

However, having chosen to file jointly, they must accumulate all the income and expenses incurred.

A. Income from movable capital to be included in the taxable savings base

1. Returns on convertible bonds of company “PS”:

The profitability obtained in 2025 It consists of two parts: interest (explicit part) and conversion premium (implicit part). Therefore, “PS” bonds constitute a financial asset with mixed returns.

a. May coupon 2025:

Gross income (7.5% of 6,000) = 450

Withholdings (19% s/450) € = 85.50

(*) The applicable withholding rate in 2025 It's 19 percent. The withholdings on capital gains must be included in box **[0597]** on page 21 of the declaration. [\(Back\)](#)

b. Conversion:

Stock market value of shares received $(500 \times 6 \times 250/100) = 7,500$

less: Cost of obligations delivered $(6,000 + 60 \text{ expenses}) = 6,060$

Gross income $(7,500 - 6,060) = 1,440$

Withholdings (Not subject to withholding)

2. "TPS" Share Dividends:

Gross income = 1,502

Withholdings $(19\% \text{ s/1,502}) (*) = 285.38$

(*) The applicable withholding tax rate in 2025 It's 19 percent. The withholdings on capital gains must be included in box **[0597]** of the declaration. [\(Back\)](#)

3. Current account interest at TZ bank:

Gross income = 37

Retention $(19\% \text{ s/37}) (*) = 7.03$

(*) The applicable withholding tax rate in 2025 is 19 percent. The withholdings on capital gains must be included in box **[0597]** of the declaration. [\(Back\)](#)

4. Preferred shares or other securities received in lieu of these:

a. Conversion of preferred shares into bonds:

Conversion value = 38,100

less: Purchase value of preferred shares = 40,000

Negative returns $(38,100 - 40,000) = -1,900$

b. Exchange of bonds into shares:

Stock market value of shares received $(5,000 \times 8.10) = 40,500$

less Cost of delivered obligations = 38,100

Positive returns $(40,500 - 38,100) = 2,400$

Withholdings (Not subject to withholding)

Total to compute $(2,400 - 1,900) = 500$

Determination of the total net income to be included in the taxable savings base

Total gross income $[450 + 1,440 + 1,502 + 37 + 500] = 3,929$

Tax-deductible expenses (administration and deposit expenses of TPS shares) = 90

Net return $(3,929 - 90) = 3,839$

Total withholdings supported $(85.50 + 285.38 + 7.03) (*) = 377.91$

(*) The applicable withholding tax rate in 2025 It's 19 percent. The withholdings on capital gains must be included in box **[0597]** of the declaration. [\(Back\)](#)

B. Income from movable capital to be included in the general tax base (Cafeteria lease)

This involves leasing a business in operation, in which the premises, facilities, furniture, clientele, etc. are transferred along with the business premises. Consequently, the capital gains obtained must be integrated into the general tax base.

The net income is determined according to the following details:

a. Total income:

Lease fee (1,300 x 12 months) = 15,600

b. Deductible expenses:

I receive IBI = 800

Air conditioning repair = 1,100

Administration expenses = 360

Local amortization = 900

Furniture depreciation (10% of 15,000) = 1,500

Total (800 + 1,100 + 360 + 900 + 1,500) = 4,660

c. Net return (15,600 - 4,660) = 10,940

d. Reduction= 0

e. Reduced net return = 10,940

f. Withholdings supported (19% s/15,600)  = 2.964

(*) The applicable withholding tax rate in 2025 It's 19 percent. The withholdings on capital gains must be included in box **[0597]** of the declaration. [\(Back\)](#)

Summary table: Taxation of life or disability insurance contracts and capitalization operations

Taxation of life or disability insurance contracts and capitalization operations

Subject	Net return on movable capital	Net performance reductions
Capital benefits derived from life insurance	In life insurance (CP - PS) being: CP = Capital received PS = Premiums paid for survival	Transitional regime of contracts generating increases or decreases in assets prior to 01-01-1999 (DT Law 4 IRPFABBR): The portion of the total net income corresponding to premiums paid before 31-12-1994, generated before 20-01-2006, will be reduced by 14.28% for each year between the payment of the premium and 31-12-1994.
	In insurance that combines survival with death or disability (CP - PS - PCR) being: CP = Capital received PS = Premiums paid for survival PCR = Premiums paid corresponding to the capital at risk due to death or disability with a limit of 5% of the mathematical provision	To determine this portion of the yield, the following weighting coefficients must be applied successively: (Premium x No. of years until collection) ÷ Σ (each premium x No. of years until collection) Days from payment of premium until 20-01-2006 ÷ Days from payment of premium until collection date Maximum joint limit of deferred capital received since January 1, 2015: 400,000 euros
Disability benefits in the form of capital	(CP - PS) * This same treatment is given to benefits derived from insurance whose beneficiary is the mortgage creditor, with certain requirements	No
Benefits derived from capitalization operations in the form of deferred capital	(CP - PS)	No

Subject	Net return on movable capital	Net performance reductions
Immediate life annuities derived from life or disability insurance	- annuity x 40% if recipient < 40 years - annuity x 35% if recipient 40-49 years old - annuity x 28% if recipient 50-59 years old - annuity x 24% if recipient 60-65 years old - annuity x 20% if recipient 66-69 years old - annuity x 8% if recipient 70 years or older	No
Immediate temporary income derived from life or disability insurance	- annuity x 12% if dr ≤ 5 years - annuity x 16% if dr > 5 ≤ 10 years - annuity x 20% if dr > 10 ≤ 15 years - annuity x 25% if dr > 15 years being dr = duration of the income	No
Deferred temporary or life annuities	$a + [(VA - PS) \div N]$ being: to = annuity x percentage according to the age of the recipient or duration of the annuity (the same as for temporary or immediate life annuities) VA = Actuarial financial present value of the income that is established PS = Amount of premiums paid N = number of years of duration of the temporary income, with a maximum of 10 years. If the annuity is for life, 10 years will be taken as a divisor. Note: When the income has been acquired free of charge inter vivos, the RCM will be, exclusively, the result of applying to each annuity the percentage that corresponds to the immediate temporary or life annuities.	No

Subject	Net return on movable capital	Net performance reductions
Deferred income received as retirement and disability benefits, when there has been no mobilization of provisions during the validity of the insurance	Excess of benefit over paid premiums (from the moment when the amount of the benefit exceeds the total amount of said premiums) Note: In the event that the income has been acquired free of charge inter vivos, the RCM will be the excess of the benefit over the actuarial present value of the income at the time of its creation.	No
Termination of temporary or life annuities due to the exercise of the right of redemption	Redemption amount + income paid up to the time of redemption - premiums paid - amounts that have been taxed as RCM in accordance with the previous sections Note: When the income has been acquired free of charge inter vivos or is income established before 01-01-1999, the accumulated profitability until the income was established will also be subtracted.	No
Life insurance in which the policyholder assumes the investment risk " <i>unit linked</i> "	A. If the special rule of temporal imputation does not apply (art.14.2.h, Law IRPFABBR): Depending on whether the payment is received in the form of capital or income, the rules discussed in the previous sections will apply. B. If the special rule of temporal imputation applies (art. 14.2.h, Law IRPFABBR): Annual net return = difference in net asset value between the assets allocated to the policy at the end and at the beginning of the tax period	No
Note to the table:		

Subject	Net return on movable capital	Net performance reductions
(1) When such annuities were established prior to 01-01-1999, the profitability is solely the result of applying the percentages indicated for life annuities or immediate temporary annuities, as appropriate. See DT fifth of the Law of IRPFABBR . (Back)		

Chapter 6. Income from economic activities. General issues

The Tax Agency's electronic headquarters includes a "[Virtual Income Assistant](#)", where you can find out how to calculate the income derived from your economic activity, including information on the assets assigned to the company, the different methods of estimating income (including information on incompatibilities and waivers between them) as well as on fractional payments withholdings.

Concept of income from economic activities

Regulations: Art. 27.1 and 2 Law IRPFABBR

A. In general

The gross income from economic activities will be considered, according to article 27.1 of the Law of IRPFABBR Those that, proceeding from personal work and capital jointly, or from only one of these factors, involve the taxpayer's self-directed organization of means of production and human resources or one of both, with the purpose of intervening in the production or distribution of goods or services.

According to this legal wording, the concept of income from economic activities is defined by the concurrence of the following two notes:

- **Existence of an autonomous organization of means of production or human resources .**
- **Purpose of intervening in the production or distribution of goods or services .**

B. In particular

In particular, the following are considered to be income from economic activities:

- Extractive activities.
- Trading activities.
- Service provision activities.
- Craft activities.
- Agricultural, livestock and forestry activities.
- Manufacturing activities.
- Fishing activities.

- Construction activities.
- Mining activities.
- Liberal, artistic or sports professions.

C. Partners of companies dedicated to the provision of professional services

The income obtained by the contributing partner that meets the following requirements will be considered income from economic activities:

1. That they come from an entity in whose capital the taxpayer participates, that is, in which the taxpayer has the status of partner.
2. That arise from the performance of professional activities.

These must be activities carried out by the partner on behalf of the company or provided by the company through its partners. In this activity, two legal relationships must be distinguished in general for tax purposes: the relationship established between the partner and the company, by virtue of which the partner provides services to the company, the remuneration of the company to the partner constituting the partner's income to be integrated into his IRPFABBR, and the relationship maintained between the client and the company, whose remuneration paid by the client to the company constitutes income of the company to be included in the Corporate Income Tax.

3. That these professional activities are included in the Second Section of the Rates of the Tax on Economic Activities, approved by Royal Legislative Decree 1175/1990, of September 28.

As for the professional activity that the company must carry out, this includes both professional companies under Law 2/2007, of March 15, on professional companies (BOE of March 16), as well as any other company whose corporate purpose includes the provision of professional services included in the second section of the rates of the Tax on Economic Activities.

Furthermore, it will be necessary that the activity carried out by the partner in the company is precisely the performance of the professional services that constitute the object of the entity, and such services must be understood to include marketing, organizational or team management tasks, and internal services provided to the company within said professional activity.

Finally, it should be noted that, for the purposes of classifying the gross income from economic activities obtained by professional partners under Article 27.1, third paragraph of the Law of IRPFABBR in the wording given by Law 26/2014, the term "included" referred to in said provision requires solely and exclusively that the taxpayer is included or categorized in a mandatory manner by legal imperative within the cases of contributions in the Special Regime of Self-Employed Workers according to art. 305.2.b) LGSS. It is not necessary to also meet the formal requirement of being effectively registered in this special regime under article 307 LGSS. See in this regard the Fifth Legal Basis of the Supreme Court Judgment no. 1.250/2025, of October 8 (Contentious Chamber), issued in the appeal for cassation no. 5528/2023 (RED : STS 4364/2025). And in the same sense, it is expressed STS No. 1313/2025 dated October 20, 2025 (RED : STS 4614/2025).

4. That the taxpayer is included, for this purpose, in the special Social Security regime for self-employed workers or freelancers, or in a social welfare mutual fund that acts as an alternative to the aforementioned special regime in accordance with the provisions of the Fifteenth Additional Provision of Law 30/1995, of November 8, on the regulation and supervision of private insurance.

Please note that the Fifteenth Additional Provision of Law 30/1995 has been repealed by the sole repealing provision.3 of Royal Legislative Decree 8/2015, of October 30, approving the revised text of the General Social Security Law, which in its Eighteenth Additional Provision regulates the classification of registered professionals

for the purposes of their integration into Social Security in terms similar to the aforementioned Fifteenth Additional Provision of Law 30/1995.

See article 305 of the consolidated text of the General Social Security Law, approved by Royal Legislative Decree 8/2015, of October 30 (BOE of October 31), which delimits the scope of application of the Special Social Security Regime for self-employed workers.

Otherwise (that is, if it is included in the general Social Security scheme), the classification of such services must be that of personal work in accordance with the provisions of article 17.1 of the Law of IRPFABBR.

Without prejudice to the foregoing and regardless of the nature of the remuneration corresponding to said services, it must be taken into account that when dealing with transactions between related persons or entities, they will be carried out at their market value, in the terms provided for in article 18 of the LIS .

Regarding the LIS see Law 27/2014, of November 27, on Corporate Tax.

Linked operations

According to article 18 of the LIS the linking relationships occur in the operations carried out between:

- *An entity and its partners or participants,*
- *An entity and its legal and de facto directors or administrators,*
- *An entity and the spouses or persons related by direct or collateral family ties, by consanguinity or affinity up to the third degree of the partners or participants, directors or administrators,*
- *An entity and the directors or managers of another entity, when both entities belong to a group.*

When the link is defined based on the partner-company relationship, the partner's participation must be equal to or greater than 25 percent.

In the case of remuneration for the performance of their duties as directors or administrators of entities, the rules of related-party relationships do not apply, because this is expressly established in Article 18.2 of the LIS. Therefore, these payments are excluded from the scope of related-party transactions regulated in Article 41 of the Law IRPFABBR.

D. Leasing of real estate

The leasing of real estate is considered to be an economic activity only when at least one person with a full-time employment contract is employed to manage it.

Delimitation of the returns from economic activities

Introduction

Despite the fact that the legal definition of income from economic activities is unique, it is the one contained in article 27.1 of the Law of IRPFABBR. It is necessary to differentiate within them those derived from the exercise of business and professional activities and, within the former (business activities), those of a commercial and non-commercial nature.

The importance of these distinctions lies in the different tax treatment of each type of income, in aspects as significant as the subjection to withholding or payment on account, the accounting and registration obligations of the holders of said activities and the separate declaration of the same.

However, the declaration model of IRPFABBR. Responding to the need expressed by the group of taxpayers who own economic activities and social collaborators, since the 2021 fiscal year, a coding or nomenclature of activity types has been adopted, unique and common for the main tax figures, with the aim of harmonizing and standardizing the codes used for data registration and facilitating the flow of information, essential to optimize the management of the different taxes that affect them, their proper coordination with the tax censuses and registers required for compliance with their tax obligations and, finally, to improve assistance to this group in the exercise of their rights and in compliance with their obligations.

Therefore, since the 2021 tax year, the following have been included in the completion of the tax return: IRPFABBR new codes and types of economic activities, with the purpose of gradually extending it to other tax returns. See in this regard the [types and keys of economic activities](#) in it IRPFABBR which are discussed in the corresponding section of this Chapter.

Distinction between income from business and professional activities and between commercial and non-commercial business activities

A. Distinction between income from business and professional activities

The regulations governing the IRPFABBR. It establishes the following rules of differentiation:

1. General rules

- **The income from professional activities** is that which derives from the exercise of the activities included in the Second Section (professional activities of a general nature) and Third Section (professional activities of an artistic or sporting nature) of the Rates of the Tax on Economic Activities (IAE), approved by Royal Legislative Decree 1175/1990, of September 28 (BOE of September 29); while **are income from business activities** those arising from activities included as such in the First Section of the aforementioned Tariffs [Art. 95.2 a) Personal Income Tax Regulations].

With regard to the professional activities carried out by entities under the income attribution regime, it should be noted that, although these entities must be taxed under Section One of the Tariffs of the IAE through the exercise of such activities, these maintain, for the purposes of IRPFABBR their character as professional and non-business activities, in accordance with the provisions of section 3 of rule 3 of the Instruction for the application of Royal Legislative Decree 1175/1990, of September 28, which approves the rates and the instruction of the Tax on Economic Activities.

According to this criterion, **is income from professional activities obtained through the free exercise of his/her profession**, provided that said exercise involves the self-employment of means of production and human resources or one of both, among others, by: veterinarians, architects, doctors, lawyers, notaries, registrars, insurance actuaries, insurance agents and brokers, singers, teachers and music directors, official sellers of lotteries, sports betting and other games included in the network of the public business entity Loterías y Apuestas del Estado.

- **##** Amounts received by persons who are paid by a company for the functions they perform therein and are required to register with their respective professional associations and, in general, those derived from an employment or dependent relationship are not considered income from professional activities. These amounts are included in the income from work, in which section they must be declared (Art. 95.3 Personal Income Tax Regulations).
- **Business income is derived from, among others, the following activities** : extractive, mining, manufacturing, clothing, construction, wholesale trade, retail trade, food services, transportation, hospitality, telecommunications, etc.

2. Particular rules

The difficulties that may arise when correctly classifying certain specific income assumptions have led to the regulations governing personal income tax specifically considering and regulating the following particular cases:

2.1 Authors or translators of works

Regulations: Articles 17.2 d) Law IRPFABBR and 95.2 b) 1 Regulation IRPFABBR

The income derived from the production of literary, artistic or scientific works, provided that the right to exploit them is transferred, constitutes **income from work**, except when said activity involves the self-management of the means of production and human resources, or one of both, for the purpose of participating in the production of goods or services, in which case the income is classified as **derived from economic activities**. In the event that this happens, the returns are

- **business** when the authors or translators themselves edit their works directly, and
- **professionals** if the authors or translators transfer the exploitation of the same to a third party.

Finally, when the beneficiary or recipient of the copyright is a third party other than the author or translator (for example, heirs), they constitute for the recipient **income from movable capital**.

2.2. Commission Agents

Regulations: Art. 95.2 b) 2 Regulation IRPFABBR

Professional income is that obtained by commission agents when their activity is limited to bringing together or approximating interested parties for the celebration of a contract.

On the contrary, when, in addition to the function described above, they assume the risk and venture of the commercial operations in which they participate, **the performance** should be classified as **business**.

Income from work is income derived from the special employment relationship with the company that the commission agents or commercial agents represent and which does not involve the self-management of means of production and/or human resources.

2.3. Teachers

Regulations: Art. 95.2 b) 3 Regulation IRPFABBR

The following are considered to be **income** derived from **professional activities** those obtained by these persons, regardless of the nature of the teachings they impart, provided that they carry out this activity either at home, in private homes or in an academy or open establishment, without an employment or statutory relationship.

If the relationship from which the remuneration comes is labor or statutory, the **income** will be included among those derived from **work**.

For its part, teaching in academies or own establishments will be considered as **business activity**.

2.4. Conferences, colloquia, seminars and the like

Regulations: Articles 17.2 c) and 17.3 Law IRPFABBR

Income derived from giving courses, conferences, colloquia, seminars and the like is considered **employment income**, even when said activities are provided outside of an employment or statutory relationship.

However, when such activities involve the self-employment of means of production and human resources, or one of both, for the purpose of participating in the production or distribution of goods or services (for example, when the taxpayer was already carrying out economic activities and his participation in conferences, colloquia or courses corresponds to matters directly related to the object of the activity, so that it can be understood that it is another service of his activity, or in cases where he intervenes as an organizer of the courses or participates in the successful or adverse results derived from them), the income obtained will be classified as income derived from the exercise of professional activities.

B. Distinction between income from commercial and non-commercial business activities

According to commercial regulations, agricultural, livestock and craft activities are not considered commercial business activities, provided that in the latter case the sales of objects built or manufactured by artisans are carried out by them in their workshops. The rest of the business activities are considered commercial.

Table: tax qualification of the income obtained in the development of certain activities

Tax qualification of income obtained from the development of certain activities

Activity	Situations	Qualification
Teachers	In own academy	Business
	At home, private classes	Professional
	In Institutes, Colleges, Universities, etc., with an employment or statutory relationship	Job
Commercial agents and commission agents	They bring together or approximate interested parties without assuming the risk and venture of operations.	Professional
	They assume the risk and venture of commercial operations or operate on their own behalf	Business
	With an employment relationship (of a common or special nature) with the company they represent without self-employment of means of production and/or human resources	Job
Lawyers	Amounts received on duty	Professional
	Amounts received in the free exercise of their profession	Professional
	Amounts received as salary from a company (even if they are registered in their respective professional associations)	Job
Intellectual or industrial property	Authors who publish their own works	Business
	Authors who do not publish their own works and order their own means of production	Professional

Activity	Situations	Qualification
	Authors who do not publish their works and do not order means of production	Job
Conferences, colloquia, seminars and the like	In general terms	Job
	If there is self-management of means of production	Professional
Messengers		Job
Insurance agents, sub-agents and brokers and their commercial collaborators (1)		Professional
Sellers of the ONCE coupon		Job
Official distributors of the commercial network of the public business entity of State Lotteries and Betting (LAE)		Professional
Pharmacists	Sale of pharmaceutical products	Business
	Analysis and preparation of master formulas	Professional
Notaries, Registrars and Customs Agents		Professional

(1) Workers of insurance companies or the aforementioned intermediaries, even if they produce some insurance exceptionally, receive income from work. [\(Back\)](#)

Keys to economic activities in personal income tax

Currently, the nomenclature that taxpayers must use to determine their type of economic activity varies from one tax return to another. Thus, until the 2021 financial year, in the personal income tax return the classification of these activities took into account the tax treatment that corresponded to each one based on whether it was subject to withholding or payment on account or the accounting and registration obligations of the owners of said activities, and differed from that offered, for example, in the Value Added Tax returns or in the census declaration of registration in the census of professional entrepreneurs and withholders, so that the same activity was recorded differently depending on the tax return in question.

In order to harmonize the nomenclature used for these purposes when completing the various tax returns, and thus responding to the request repeatedly made by the group of taxpayers who carry out economic activities, a new codification of the same was implemented in the 2021 Personal Income Tax return with the aim of progressively extending it to the other tax returns.

From this last perspective, since the 2021 financial year the declaration model distinguishes the following types and keys of economic activities in direct estimation:

Password	Type of activity
A01	Urban real estate landlords
A02	Independent livestock
A03	Other business activities not included in other sections
A04	Professional activities of an artistic or sporting nature
A05	Other professional activities
B01	Agricultural activity
B02	Dependent livestock activity
B03	Forestry activity
B04	Punting mussel production
B05	Fishing activity, except production of mussels in rafts

Assets assigned to an economic activity

Criteria for affecting assets and rights to the exercise of an economic activity

Regulations: Articles Law 29 IRPFABBR and 22 RegulationIRPFABBR

In accordance with the regulations of IRPFABBRThe criteria for allocating assets and rights to the exercise of an economic activity are as follows:

1. Assets and rights related to an economic activity are those necessary to obtain business or professional income.

According to this criterion, the following assets are expressly considered affected:

- a. The real estate in which the activity is carried out.
- b. Assets intended for the economic and sociocultural services of the personnel serving the activity.
- c. Any other assets necessary to obtain the respective returns.

According to the above, those assets intended for the **private use** of the owner of the activity, such as those for recreation or entertainment, cannot be considered as assigned.

Note: *In no case are assets representing participation in the equity of an entity (shares or interests) and the transfer of capital to third parties, such as, for example, all types of bank accounts, considered to be assets related to an economic activity.*

2. Affected elements must be used only for the purposes of the activity.

According to this characteristic note **those assets and rights that are used simultaneously for economic activities and private needs cannot be considered as affected** unless the use for **latter is accessory and clearly irrelevant**

In this regard, **are considered to be used for private needs in an accessory and clearly irrelevant manner**, the fixed assets acquired and used for the development of the economic activity that are intended for the personal use of the taxpayer on non-working days or hours during which the exercise of the activity is interrupted.

This exception does not apply to passenger cars and their trailers, motorcycles and aircraft or sports or recreational boats. These assets will only be considered assets related to the development of an economic activity when they are used exclusively for the purposes of the same, and in no case may they be considered as assets if they are also used for private needs, even if such use is accessory and clearly irrelevant.

However, as an exception to the exception, the use for private needs (provided that it is accessory and clearly irrelevant) without losing their status as affected goods, of passenger cars and other means of transport that, being included in the enumeration of the previous

paragraph, are listed below, is permitted:

- a. Mixed vehicles intended for the transport of goods.
- b. Those intended for the provision of passenger transport services for consideration.
- c. Those intended for the provision of driving or pilot training services for a fee.
- d. Those intended for professional travel by commercial representatives or agents.
- e. Those intended to be transferred for regular and onerous use.

For these purposes, the following are considered to be passenger cars, trailers, mopeds and motorcycles: those defined as such in the Annex to Royal Legislative Decree 339/1990, of March 2, which approves the consolidated text of the Law on Traffic, Circulation of Motor Vehicles and Road Safety and, as of January 31, 2016, in Annex I of Royal Legislative Decree 6/2015, of October 30, which approves the consolidated text of the Law on Traffic, Circulation of Motor Vehicles and Road Safety, as well as those defined as mixed vehicles in said annexes and, in any case, those called all-terrain vehicles or "jeep" type.

3. The necessary and exclusive use of a divisible asset for the purposes of the activity may only apply to a certain part of it (partial allocation) and not necessarily to its entirety.

In the case of assets that only partially serve the purpose of the activity, the allocation will be understood to be limited to that part of them that is actually used in the activity in question. In this sense, only those parts of the heritage elements that are susceptible to separate and independent use from the rest will be considered affected, without indivisible heritage elements being susceptible to partial affectation in any case.

The partial allocation of an asset has important tax consequences, since the income and expenses corresponding to said part of the asset must be included among those corresponding to the economic activity to which it is allocated.

Clarifications:

To calculate the net income from an economic activity in direct estimation, in the case of a property being used partly as a habitual residence and partly for the exercise of the activity, a distinction must be made between the expenses derived from the ownership of the home and the expenses corresponding to the supplies of the property.

In the case of expenses derived from the ownership of the home, such as amortization, IBI, community of owners, etc., they are deductible in proportion to the part of the home affected by the development of the activity and its percentage of ownership in the referred property.

In the case of expenses relating to supplies, rule 5 of section 2 of article 30 of the Law must be taken into account. IRPFABBR relating to deductible expenses for certain supplies when the businessperson or professional carries out their activity in their own home, the commentary of which is included in Chapter 7 of this Manual.

4. Those assets that are owned by the taxpayer but do not appear in the accounting or official records of economic activity (investment asset register) that the taxpayer is required to keep, unless proven otherwise, are not considered to be affected.

5. In the case of marriage, the allocation of an asset is conditional on its ownership being exclusive to the spouse who carries out the activity, or whether it is joint or common to both spouses.

If a common or joint asset is used, the owner must consider it fully assigned to the activity, even if the asset in question belongs to both spouses. On the other hand, the private assets of the spouse who does not carry out the economic activity cannot be considered as being assigned to it, but rather are considered transferred assets.

Therefore, assets owned by both spouses (not necessarily joint assets) will be considered assets that are entirely related to the business spouse's economic activity, even if one of them does not carry out the activity.

And as a consequence of said rule of allocation, the use of assets or rights owned by both, by the business or professional spouse in the development of his/her activity, will not give rise to deductible expenses for him/her or to capital gains for the other spouse, due to the **transfer of use** carried out on the part of the asset corresponding to that other spouse. (art. 30.2.rule 3, second paragraph of the Law of IRPFABBR).

In accordance with the above, common assets will be treated as follows for each of the spouses:

- The spouse, owner of the activity, may deduct, as deductible expenses, all expenses generated by them, including amortizations.
- For the non-practicing spouse, these common assets will have no impact, meaning that he or she will not have to allocate any income or expense.

Summary table: criteria for impact on economic activity

Asset-related elements	Use of heritage elements	Rules on the impact on personal income tax	Exceptions
Divisible (example, real estate)	Partial When part of the heritage elements are susceptible to separate and independent use from the rest.	The allocation will be understood to be limited to that part of them that is actually used in the activity in question.	There are no exceptions.
Indivisible	Alternative Those assets that, due to their material characteristics, cannot be used simultaneously (but alternatively) for a private activity and an economic activity.	Its use is only permitted for private needs of the taxpayer provided that it is accessory and clearly irrelevant (that is, on non-working days or hours during which the exercise of economic activity is interrupted).	Exception : It does not apply, except in certain cases, to passenger cars and their trailers, mopeds, motorcycles, aircraft or sports or recreational boats." Art. 22.4 Regulations IRPFABBR

Examples:

1. Mr VRV, a practising lawyer, uses his office computer for personal matters on certain holidays.

The use of the computer, which objectively has the character of fixed assets acquired and used for the development of professional activity, on non-working days is expressly included in the Regulation as an exception to the requirement of exclusivity of the assignment, so that, in this case, the computer can be considered in its entirety as an assigned asset.

2. Don SAM, a taxi driver, usually uses his vehicle on certain days off to go to the countryside with his family.

The use of a taxi for private needs on non-working days when the normal exercise of the activity is interrupted does not prevent said vehicle from being considered fully related to the business activity carried out by its owner, as it is a vehicle intended for the transport of passengers for consideration and is expressly exempt from the requirement of absolute exclusivity generally applicable to passenger cars.

3. Don AAR, an ophthalmologist, uses two rooms in his home exclusively as consultations. These rooms, which measure 40 m² and are thus stated in the corresponding registration for the Tax on Economic Activities, represent 30% of the total surface area

of the habitual residence. Can the surface area used for consultation be considered to be affected by professional activity and, consequently, can the expenses corresponding to said surface area be deducted from the income from the activity?

The part of the home used exclusively as a consultation room may be considered to be affected by the professional activity carried out by its owner; Therefore, the specific expenses of this part of the home can be deducted from the gross income from the professional activity.

Transfer of assets from personal assets to business or professional assets: affectation

Regulations: Articles 28.3 Law IRPFABBR and 23 Regulation IRPFABBR

Business or professional assets are made up of all those assets or rights integrated into the organizational scope of an economic activity carried out by its owner.

Private assets, on the other hand, include the rest of the assets or rights whose ownership also corresponds to the taxpayer, but which are not affected by the development of any economic activity.

The **principles and rules** that govern the allocation of property or rights are the following:

- a. The incorporation of an asset into the economic activity from the personal assets of the taxpayer who owns it **does not produce an alteration in assets for tax purposes as long as the asset continues to form part of his assets.**
- b. The asset is incorporated into the taxpayer's accounting for the **acquisition value that it had at the time of the allocation**.

This value is made up of:

- When the acquisition of the asset has been made **for a fee** for the sum of the actual amount for which the acquisition was made, the cost of the investments and improvements made to the asset and the expenses and taxes inherent to the acquisition, excluding interest, paid by the purchaser. This value will be reduced by the amount of tax-deductible amortization, computing in all cases the minimum amortization, regardless of whether it is actually considered an expense.
- When the acquisition of the asset has been made **for profit** by the owner of the activity, the previous rules will apply, although the real amount of the acquisition will be taken as the acquisition value for the purposes of the Inheritance and Gift Tax, without being able to exceed the market value.

Note: The components of the [acquisition value](#) are discussed in more detail in Chapter 11 of this Manual.

- c. It will be understood that **has not been affected if the asset is sold before 3 years have elapsed since this.**

Transfer of assets from business or professional assets to personal assets: disaffection

Regulations: Articles 28.3 Law IRPFABBR and 23 Regulation IRPFABBR

Principles and rules of deregistration

The principles and rules for the disaffection of assets or rights are as follows:

- The transfer of fixed assets from the business sphere to the personal sphere of taxpayer **does not produce any alteration in assets as long as the asset continues to form part of its assets** .
- The incorporation of the asset or right into the personal assets is carried out for the **net book value of the same on the date of the transfer** .

The components of [book value](#) are discussed in Chapter 11.

- The deregistration **does not require any lapse of time to be understood as completed** from the moment it is carried out.

Notwithstanding the foregoing, if the declassified asset is sold before 3 years have elapsed since the declassification, even if this occurred as a result of the cessation of activity, **The reduction percentages will not apply** to which the ninth transitional provision of the Law refers IRPFABBR in determining the capital gain obtained.

The ninth transitional provision of the Law of IRPFABBRIt establishes a special reduction regime applicable to capital gains derived from the transfer of assets not affected and those released from the obligation more than three years prior to the date of transfer, acquired before December 31, 1994. The detailed commentary on this [transitional regime of reduction](#) of capital gains is contained in Chapter 11.

Example:

Dr. FRG, a dentist, opened his practice on January 1st. 2025 in a premises owned by him which has remained rented since its acquisition until December 31, 2017 and between 12/31/17 and 12/31/19 has been designated for his own use, said date being recorded in his investment property register book.

The aforementioned premises were acquired by Mr. FRG on May 1, 1985 for the equivalent of 60,000 euros, the owner also paying the equivalent of 5,000 euros in the form of Tax on Property Transfers and Documented Legal Acts, notary and Property Registry.

During the years in which the premises were rented, the acquisition value of the property was higher than its cadastral value.

To determine the depreciation base, the value of the land is estimated to be equivalent to 18,000 euros.

On May 31st 2025 He moved his practice to another location, proceeding to rent the previous premises again for 900 euros per month.

Determine the tax treatment of these operations and whether the premises can be considered as being used for the business activity during the fiscal year 2025.

Solution:

1. Impact on the premises (01-01-2025):

The commercial premises being used for professional activity is understood to have been used on January 1st, 2025, upon fulfillment from that date of the requirements of necessary and exclusive use of the premises for the development of the activity and for accounting.

The incorporation of the premises into the investment property register must be carried out for the following value:

Actual acquisition amount: 60,000

Expenses and taxes inherent to the acquisition: 5,000

Total: 65,000

Less: Tax amortization deductible (01-05-1985 to 31-12-2017) [\(1\)](#)

Year 1985: $(47,000 \times 1.5\%) \times 8/12 = 470$

Years 1986 to 1998: $(47,000 \times 1.5\%) \times 13 = 9,165$

Years 1999 to 2002: $(47,000 \times 2\%) \times 4 = 3,760$

Years 2003 to 2017: $(47,000 \times 3\%) \times 15 = 21,150$

Total amortizations: 34,545

Value of affectation $(65,000 - 34,545) = 30,455$

Note:

(1) For the purposes of determining the depreciation base, the value of the land (18,000 euros) has been discounted. Likewise, the percentage of amortization for the years 1985 to 1998 was taken as 1.5%, which was the tax deductible while the premises were rented in the aforementioned years. For the financial years 1999 to 2002, the usable percentage is 2 percent [Article 13.2, letter a) of the Regulation of IRPFABBR in force during the aforementioned fiscal years]. For the financial years 2003 to 2017, the applicable percentage is 3 percent [for the financial years 2003 to 2006, article 13.2, letter a), of the Regulation of the IRPFABBR in the wording given to it by Royal Decree 27/2003, of January 10, and for the years 2007 to 2017, article 14.2, letter a) of the Regulation of the IRPFABBR]. [\(Back\)](#)

2. De-affectation of local (31-05-2025) [\(2\)](#)

When the premises were decommissioned on May 31st of the year 2025, the incorporation of the same into the personal assets of the owner will be carried out at the net book value of the premises on that date. This value is determined as follows:

Value of impact = 30,455

Less: Repayments (01-01-2025 May 31st 2025) [\(3\)](#)

Year 2025: $(12,455 \times 3\%) \times 5/12 = 155.69$

Total amortizations: 155.69

Net book value $(30,455 - 155.69) = 30,299.31$

Notes:

(2) The relocation of the consultation to another location on May 31st 2025 This implies its removal from the economic activity carried out by its owner. However, the subsequent rental of the premises does not prevent it from being considered as fully affected during the period in which the consultation was located (from January 1st). 2025 as of May 30 2025). [\(Back\)](#)

(3) The tax-accountable depreciations coincide with those made by the owner of the activity and correspond to the maximum linear coefficient of depreciation for this type of asset, assuming that it determines the net income by simplified direct estimation. Maximum coefficient for buildings, according to simplified table: 3 per 100. The value of the land (18,000 euros) is not subject to amortization. Consequently, the amortizable value is 12,455, the difference between 30,455 (value of allocation) and 18,000 (value of the land). [\(Back\)](#)

Transmissions of affected assets

Regulations: Articles 37.1 n) Law IRPFABBR and 40.2 and 42 Regulation IRPFABBR

The transfer of affected assets belonging to the tangible or intangible fixed assets of the economic activity gives rise to capital gains or losses that **are not included in the net income of the activity**.

The quantification of its amount and its effective taxation is carried out in accordance with the rules contained in the Law of IRPFABBR for the **capital gains and losses, with the following specialization**: The reduction coefficients applicable to assets acquired before December 31, 1994 cannot be applied.

See Chapter 11 for the section on the transfer of affected assets.

Method and modalities of determining the net income of economic activities

Regulations: Article 16 of the Law IRPFABBR

Introduction

The methods for determining the net income from business, commercial or non-commercial activities, and professional activities are as follows:

- Direct estimation, which supports two modalities: normal and simplified.
- Objective estimate, which is applied as a voluntary method to each of the economic activities, considered in isolation, determined by the Minister of Finance.

Without prejudice to the detailed commentary on each of the methods and modalities of determining net income in the corresponding chapters of the Manual, the tables in the following sections contain the most significant notes on each of these methods and modalities.

Note: Royal Decree-Law 16/2025, of December 23 (BOE of December 24), has modified, with effect from January 1, 2025, the thirty-second transitional provision of the Law of IRPFABBR, to extend to the tax periods 2025 and 2026 the application of the same exclusionary quantitative limits set for the fiscal years 2016 to 2024: both those relating to the volume of gross income in the immediately preceding year derived from the exercise of economic activities (250,000 euros for all economic activities, except for agricultural, livestock and forestry activities and 125,000 euros for operations for which there is an obligation to issue an invoice when the recipient is a businessman) and to the volume of purchases of goods and services (250,000 euros, excluding the acquisition of fixed assets, for all activities in objective estimation - also including agricultural, livestock and forestry activities).

Paintings: Methods and modalities for determining the net income of economic activities: direct estimate

Direct estimation (See Chapter 7)

Information	Normal mode (EDN)	Simplified modality (EDS)
Scope	Businesspeople and professionals in which any of these two circumstances apply: - That the net amount of the turnover of all its activities exceeds 600,000 euros per year in the previous year. - That they have renounced the EDS.	Businesspeople and professionals in which any of these two circumstances apply: - That your activity is not eligible for the EO . - Who have resigned or are excluded from the EO. Provided that, in addition, the net amount of the turnover of all its activities does not exceed the sum of 600,000 euros per year in the previous year and they have not renounced the EDS.
Determination of net income	(+) Gross income. (-) Deductible expenses. (-) Amortization. (=) Net performance. (-) Reduction of returns with a generation period of more than two years or obtained in a clearly irregular manner when they are imputed in a single fiscal year (30%). Maximum reduction base: 300,000 euros. <u>Transitional regime</u> : application of this reduction to income that was received in installments prior to 1-1-2015. (-) Reduction of the income under the special regime "XXXVII Copa América Barcelona" (65%) (=) Reduced net performance . (-) Reduction for economically dependent self-employed workers with a single unrelated client: - General reduction: 2,000 euros. - Additional increase for taxpayers with	(+) Gross income. (-) Deductible expenses (except provisions and amortizations). (-) Amortizations simplified table. (=) Difference . (-) Expenses that are difficult to justify: 5% on positive difference (Maximum 2,000 euros). (incompatible with reduction for self-employed workers) (=) Net performance. (-) Reduction of returns with a generation period of more than two years or obtained in a clearly irregular manner when they are imputed in a single fiscal year (30%). Maximum reduction base: 300,000 euros. <u>Transitional regime</u> : application of this reduction to income that was received in installments prior to 1-1-2015. (-) Reduction of the income under the special regime "XXXVII Copa América Barcelona" (65%)

Information	Normal mode (EDN)	Simplified modality (EDS)
	net income from activity of less than 19,747.5 euros and income other than the above, excluding exempt income, of less than 6,500 euros. • Additional increase for disability. (-) Reduction for taxpayers with total income of less than 12,000 euros, including income from activity (incompatible with the previous reduction). (-) Reduction due to start of activity. (-) Reduction for income from artistic activities obtained exceptionally (=) Total reduced net performance.	(=) Reduced net performance. (-) Reduction for economically dependent self-employed workers or those with a single unrelated client (incompatible with expenses that are difficult to justify). • General reduction: 2,000 euros. • Additional increase for taxpayers with net income from activity of less than 19,747.5 euros and income other than the above, excluding exempt income, of less than 6,500 euros. • Additional increase for disability. (-) Reduction for taxpayers with total income of less than 12,000 euros, including income from activity (incompatible with the previous reduction). (-) Reduction due to start of activity. (-) Reduction for income from artistic activities obtained exceptionally (=) Total reduced net performance.
Registry obligations	1. Business activities: • Accounting adjusted to the Commercial Code. 2. Non-commercial activities: a. <u>In general, record books of:</u> • Sales and income record book. • Book record of purchases and expenses. • Record Book of investment goods. b. <u>Professional activities:</u> • Sales and income record book. • Book record of purchases and expenses. • Record Book of investment goods. • Record book of provisions of funds and supplies.	1. In general (even when they keep accounting adjusted to the provisions of the Commercial Code) • Sales and income record book. • Book record of purchases and expenses. • Record Book of investment goods. 2. Professional activities : • Sales and income record book. • Book record of purchases and expenses. • Record Book of investment goods. • Record book of provisions of funds and supplies

Paintings: Methods and modalities for determining the net income of economic activities: objective estimate

Objective estimation (See Chapters 8 and 9)

Scope	Businessmen and professionals in which the following occur: • That its activity is among those listed in the Order HAC/1347/2024, of November 28, and not excluded from its application • That the volume of gross returns in the immediately preceding year does not exceed any of the following amounts: ◦ 250,000 euros for all activities, except agricultural, livestock and forestry. ◦ 125,000 euros when it corresponds to operations for which they are obliged to issue an invoice as the recipient is a businessperson or professional acting as such. ◦ 250,000 euros for all agricultural, livestock and forestry activities. • That the volume of purchases of goods and services in the previous year, excluding acquisitions of fixed assets, does not exceed the amount of 250,000 euros per year (VAT excluded). • That the activity does not take place outside the scope of application of IRPFABBR. • That they have not resigned or are excluded from the simplified regime of IVAABBR and the simplified special regime of the Canary Islands General Indirect Tax (IGIC). That they have not renounced the special regime for agriculture, livestock and fishing of IVAABBR nor to the special regime for agriculture and livestock of the IGIC. • That no activity carried out by the taxpayer is subject to direct estimation, in any of its forms.	
Determination of net income	ACTIVITIES OTHER THAN AGRICULTURAL, LIVESTOCK AND FORESTRY Number of modules units (x) Annual return per unit (=) Previous net performance (-) Reductions for employment and investment incentives (=) Reduced net return (x) Correction indices (=) Net performance of modules (-) General reduction (5%)	AGRICULTURAL, LIVESTOCK AND FORESTRY ACTIVITIES Total revenue volume (x) Net return index (=) Previous net performance (-) Amortization of tangible and intangible fixed assets (excluding forestry activities) (=) Reduced net return (x) Correction indices (=) Net performance of modules (-) General reduction (5%) (-) Reduction in young farmers

	(-) Extraordinary expenses (+) Other business perceptions (=) Net income from the activity (-) Reduction (30%) with a maximum reduction base of 300,000 euros • For returns with a generation period of more than two years when they are imputed in a single fiscal year • For income obtained in a notoriously irregular manner when it is imputed in a single fiscal year <i>Transitional regime</i> : application of this reduction to income that was received in installments prior to 01-01-2015. (-) Reduction for taxpayers with total income of less than 12,000 euros, including income from activity (=) Reduced net performance	(-) Extraordinary expenses (=) Net income from the activity (-) Reduction (30%) with a maximum reduction base of 300,000 euros. • For returns with a generation period of more than two years when they are attributed to a single fiscal year • For income obtained in a notoriously irregular manner when it is imputed in a single fiscal year <i>Transitory rules:</i> application of this reduction to income that was received in installments prior to 01-01-2015. (-) Reduction for taxpayers with total income of less than 12,000 euros, including income from activity (=) Reduced net performance
Registry obligations	Invoices issued, invoices received and documentary evidence. <i>If amortizations are carried out :</i> - Record Book of investment goods <i>For activities whose net income is determined based on the volume of operations (agricultural, livestock, forestry and processing of natural products):</i> – Sales and income record book	

Accounting and registration obligations of taxpayers who carry out economic activities

Note: At the end of this section, access is provided to a summary table of the accounting and registration obligations discussed below.

In general

Regulations: Articles 104.2 Law IRPFABBR and 68 Regulation IRPFABBR

In the field of IRPFABBR The accounting and registration obligations of the owners of economic activities are structured according to the following details:

A. Entrepreneurs who carry out commercial activities in normal direct estimation :

- Accounting adjusted to the provisions of the Commercial Code and the General Accounting Plan.

Precision: In accordance with the provisions of the Commercial Code and the General Accounting Plan, the latter approved by Royal Decree 1514/2007, of November 16 (BOE of November 20), the specific books that must be kept are the following: Inventory Book and Annual Accounts, which will be opened with the initial balance sheet and in which the trial balances with sums and balances must be recorded, at least quarterly, as well as the closing inventory of the year and the annual accounts, and Daily Book, which must record, day by day, all operations related to the company's activity. Royal Decree 1515/2007, of November 16 (BOE of November 21) approves, as a complementary rule of the General Accounting Plan, the General Accounting Plan for SMEs and the specific accounting criteria for micro-enterprises.

B. Entrepreneurs who carry out non-commercial activities under normal direct estimation and all entrepreneurs under simplified direct estimation :

- Sales and income record book.
- Book record of purchases and expenses.
- Capital goods record book.

C. Professionals in direct estimation, in any of its modalities :

- Income record book.
- Expense record book.
- Capital goods record book.
- Record book of provisions of funds and supplies.

D. Businessmen and professionals in objective estimation.

- Investment asset registration book (only for taxpayers who deduct amortization).
- Sales and income record book (only for holders of activities whose net income is determined based on the volume of operations, i.e. holders of agricultural, livestock, accessory forestry activities and natural product processing activities).

In any case, the holders must keep, numbered in date order and grouped by quarter, the invoices issued in accordance with the provisions of the Regulation governing billing obligations, approved by Royal Decree 1619/2012, of November 30 (BOE of December 1), and the invoices or other types of documentary evidence received, as well as the supporting documents for the signs, indexes or modules applied.

Please note the recent amendment to Royal Decree 1619/2012, as amended by Royal Decree 1007/2023 of 5 December, which approves the Regulation establishing the requirements for computer and electronic systems and programs supporting the invoicing processes of businesses and professionals, and the standardization of billing record formats.

Entities under the income attribution regime that carry out economic activities must keep a single mandatory books corresponding to the activity carried out, without prejudice to the attribution of income that must be carried out in relation to their partners, heirs, commoners or participants.

Note: *Except for taxpayers who carry out commercial business activities whose performance is determined using the normal direct estimation method, the rest of personal income tax taxpayers who carry out economic activities are required to keep the record books determined in each case by personal income tax regulations, even when they keep accounting records in accordance with the provisions of the Commercial Code.*

Summary table: Accounting and Registration Obligations

Direct estimation (normal mode) (EDN)	Commercial activities	Accounting adjusted to the Commercial Code and the PGC .
	Non-commercial activities	In general , record books of: • Sales and income. • Purchases and expenses. • Investment goods.
		Professional activities: Record books of: • Income. • Bills. • Investment goods. • Funding provisions and supplies.
Direct estimation (simplified mode) (EDS)	Commercial and non-commercial activities	In general , books records of: • Sales and income. • Purchases and expenses. • Investment goods.
		Professional activities: Record books of: • Income. • Bills. • Investment goods. • Funding provisions and supplies.
Objective Estimate (OE)	Activities other than agricultural, livestock and forestry	• Keep invoices issued, invoices received and documentary evidence. • Investment asset registration book (if amortizations are made).
	Agricultural, livestock, forestry and natural product processing activities	• Sales and income record book. • Keep invoices issued, invoices received and documentary evidence. • Investment asset registration book (if amortizations are made).

Criteria for the temporary allocation of the components of the net income of economic activities

General tax imputation criterion: accrual principle

Regulations: Arts.14.1b) Law IRPFABBR and 7 Regulations IRPFABBR; 11.1 and 3.1 LIS

The Law of IRPFABBR It establishes as a basic guiding principle in this matter the reference to the regulations governing Corporate Income Tax, without prejudice to certain special provisions contained in the Tax Regulations themselves.

According to article 11.1 of the IS , the general criterion for tax imputation is constituted by the accrual principle, according to which income and expenses derived from transactions or economic events will be imputed to the tax period in which their accrual occurs, in accordance with accounting regulations, regardless of the date of payment or collection, respecting the due correlation between them.

Particular case: digital kit grant

The subsidy for digital kits, insofar as it is intended to finance expenses or investments of holders of economic activities, is classified as income from economic activities, in accordance with the provisions of article 27.1 of the Law of IRPFABBR.

Regarding its temporal imputation, Article 14.1.b) of the Law of IRPFABBR It refers to the Corporate Income Tax regulations and the specific rules contained in the Regulations of IRPFABBR. In the absence of specific regulations, the provisions of commercial accounting regulations apply. Specifically, Valuation Standard 18 of the General Accounting Plan, according to which, once the subsidy has been recognized as non-refundable (that is, when there is an individual agreement for its granting, the conditions established for its granting have been met and there are no reasonable doubts about its receipt), the imputation criterion is established according to its purpose:

- a. If it is granted to guarantee minimum profitability or to compensate for losses incurred in the activity, it will be treated as a current subsidy, and will therefore be fully computed as additional income for the period in which it is accrued. That is, when the granting of the subsidy is firmly recognised and quantified, regardless of when it is received.
- b. If it is intended to promote investments in fixed assets or multi-year projection expenses, it will be treated as a capital subsidy, so it will be charged to the same extent as the investments made against it are amortized.

Special tax imputation criteria provided for in the Corporate Tax Law and the Personal Income Tax Law

The Law LIS and the Law of IRPFABBR In certain cases, they establish special criteria for tax imputation that differ from the general accrual criterion discussed above. These assumptions include, among others, the following:

- **Allocation of public aid for the first installation of young farmers provided for in the National Framework for Rural Development of Spain**

Regulations: Art. 14.1.b) Law IRPFABBR

From 1 January 2020, public aid for the first installation of young farmers provided for in the National Framework for Rural Development of Spain may be imputed as income from economic activities in quarters, in the tax period in which they are obtained and in the three following ones.

The modification of article 14.1.b) of the Law of IRPFABBR by article 2 of Royal Decree-Law 5/2020, of February 25, which adopts certain urgent measures in the field of agriculture and food (BOE (February 26)), responded to the need to address the widespread concern in the agricultural sector regarding the change in tax classification of subsidies for the incorporation of young farmers derived from the National Rural Development Framework. This was making it difficult for some young farmers to access these subsidies, thereby discouraging an essential measure in the process of renewing the production process. While the National Framework for the period 2007-2013 contemplated aid for the establishment of young farmers as measures aimed at investments and installation costs, the National Framework 2014-2020 directly conditions them to the development of a business plan. As a result of the above, from a tax point of view, they have gone from being considered capital subsidies to current subsidies as income support, forcing the recipient to have to compute it in its entirety as another income for the period in which it accrues (that is, when it is recognized and quantified) without the possibility of splitting the payment over the four-year period of receipt. This measure, which came into force on 1 January 2020, allows for the allocation of quarters, regardless of the classification, which addresses the problem raised.

- **Special cases of integration of income pending imputation**

Regulations: Art. 14.3 and 4 Law IRPFABBR

In the event that the taxpayer loses their status due to a change of residence, all income pending attribution must be included in the tax base corresponding to the last tax period that must be declared for this tax, and, where applicable, a corrective self-assessment must be filed without penalty, late-payment interest, or any surcharge.

However, if the change of residence occurs to another Member State of the European Union, the taxpayer may choose to impute the outstanding income in accordance with the provisions of the preceding paragraph, or to submit, as each of the outstanding income items is obtained, an amended self-assessment without penalty, late payment interest or any surcharge, corresponding to the last period that must be declared by the IRPFABBR. The self-assessment must be submitted within the declaration period for the tax period in which said income should have been imputed had the loss of taxpayer status not occurred.

Therefore, according to this last rule, when the taxpayer loses their status in 2026 The tax period to which the corrective self-assessment will correspond will be the 2025, as it is the last period in which it has had the status of taxpayer of IRPFABBR.

Attention: Please note that, from the March 14th, approval date of the Order HAC/242/2025, of March 13, The resolution approving the tax return forms for Personal Income Tax and Wealth Tax for the 2024 tax year establishes, within the scope of Personal Income Tax, the effective application of the amended self-assessment as the

sole system for correcting self-assessments. This new amendment system is configured as the general procedure for modifying Personal Income Tax returns, starting with the 2024 tax year. You can find more information about this in the section entitled "[Regularization of tax situations: the corrective self-assessment](#)" included in Chapter 18 of this Manual.

• Term operations

Regulations: 14.2.d) Law IRPFABBR and 11.4 LIS

In the case of installment or deferred price transactions, the income will be deemed to be obtained proportionally as the corresponding payments become due, unless the taxpayer decides to allocate them at the time the right arises (accrual criterion).

Consequently, the imputation must be made as the initially agreed terms expire and payment becomes due, regardless of whether or not payment is collected once the due date has been reached.

Deferred payment transactions are understood to be those whose consideration is payable, in whole or in part, through successive payments or through a single payment, provided that the period between the accrual and the maturity of the last or only installment is greater than one year.

In the event of an endorsement, discount or advance collection of the deferred amounts, the income pending imputation will be deemed to have been obtained at that time.

The expense corresponding to the deterioration in the value of the unpaid credit right will not be tax deductible with respect to that amount that has not been included in the tax base until this is done.

Therefore, only the expense corresponding to the amount due and not collected is tax deductible, provided that the causes provided for in article 13.1 of the LIS are present.

The provisions of this section shall apply regardless of the manner in which the income and expenses corresponding to the affected income were recorded.

Reversal of expenses that have not been tax deductible

Regulations: Art. 11.5 LIS

Income from the reversal of expenses that have not been tax deductible will not be included in the tax base.

Reversal of impairment of items that have been subject to value corrections

Regulations: Art. 11.6 LIS

The reversal of a deterioration or correction in the value of any asset that has been tax deductible will be allocated to the tax base of the tax period in which said reversal occurred.

The same rule will apply in the case of losses arising from the transfer of assets that have been newly acquired.

Special tax imputation criteria of the Personal Income Tax Regulations

Criteria for allocating collections and payments

Regulations: Art. 7.2 Regulations IRPFABBR

a. In general

Taxpayers who carry out economic activities, with the exception of holders of commercial business activities whose net income is determined by the direct estimation method, standard modality, obliged to keep accounting adjusted to the provisions of the Commercial Code, as well as those who, without being obliged to do so, voluntarily keep such accounting, may opt for the "receipts and payments" criterion to temporarily allocate the income and expenses derived from all their activities.

This criterion will be understood to be approved by the Tax Administration simply by stating so in the corresponding declaration. IRPFABBR.

The option for this criterion, whose minimum duration is three years, will lose its effectiveness if, after said option, the taxpayer develops any business activity of a commercial nature using the direct estimation method, normal modality, or keeps accounting in accordance with the provisions of the Commercial Code and other regulations for its development.

Precision: Capital grants will be recognized as income for the year in proportion to the depreciation allowance made in that period for the aforementioned assets or, where applicable, when their disposal, impairment adjustment or derecognition occurs, even if the taxpayer has previously opted for the timing of income recognition or cash basis accounting, given its special nature and the reference made by the Law of IRPFABBR. It affects the specific regulations of Corporate Income Tax and this, in turn, affects the accounting result. See in this regard the Third Legal Basis of the Supreme Court Judgment No. 398/2022, of March 30 (Contentious Chamber), issued in cassation appeal no. 8193/2020 (ROJ : STS 1285/2022).

Attention : Taxpayers who determine net income by normal direct estimation when they are not required to keep accounts adjusted to the Commercial Code (professionals and entrepreneurs who carry out activities that are not of a commercial nature), as well as taxpayers in simplified direct estimation or in objective estimation who opt in 2025 for the collection and payment criterion for the temporary imputation of the income and expenses of all their activities, will indicate this option by placing an "X" in the box **[0169]** (in the case of economic activities under direct estimation), in the box **[1443]** (if it concerns economic activities, except agricultural, livestock and forestry, under objective estimation) and in the box **[1487]** (in agricultural, livestock and forestry activities under objective estimation). Likewise, this box/es **[0169]**, **[1443]** and **[1487]** will be marked by taxpayers who opted for this temporary imputation criterion in previous tax periods and maintain this option in the current tax period.

b. Entities in the income allocation system

In the case of entities under an income attribution regime, compliance with the requirements to determine the method of estimating the performance of the applicable economic activity is determined at the headquarters of the entity, and said method will be applicable to the entity regardless of the method that corresponds to the commoners, partners or participants for the economic activities developed by them individually or through other entities (Arts. Regulations 31 and 39 IRPFABBR).

As a result, the accounting or registration books corresponding to the economic activity carried out by the entity under the income attribution regime will be unique for each entity, without the partners, commoners or participants having to keep accounting or registration books corresponding to their participation in the entity; Likewise, the accounting or registration books kept by the entity are independent of those that must be kept by the commoners, partners or participants for the economic activities carried out by them individually or through other entities (Art. 68.8 Personal Income Tax Regulations).

In accordance with the above, to the extent that the requirements for the application of the collection and payment criterion, relating to the method of estimating the performance of the economic activity and formal obligations, must be met by the entity, the application of the collection and payment criterion will correspond to the entity, so it will be necessary for all its members to opt for said application, without consequently it being possible for its partial application by the entity for one or some of its members.

Likewise, since the aforementioned requirements can be met by the entity, but not by each of its members, and vice versa, the application of the collection and payment criteria by the entity will be independent of the temporary imputation criteria that corresponds to the commoners, partners or participants for the economic activities carried out by them individually or through other entities in the attribution of income in which they participate.

Criteria for allocating the advance payment on account of the transfer of the exploitation of copyright

Regulations: Art. 7.3 RegulationsIRPFABBR

In the case of income from professional activities derived from the transfer of the exploitation of copyright that accrue over several years, the taxpayer may choose to allocate the advance payment to the account of the same as the rights accrue.

Other imputation criteria proposed by the taxpayer

Regulations:Arts.11.2 LIS ; 1 and 2 of Regulation IS

The fiscal effectiveness of criteria for the temporary allocation of income and expenses other than accrual, used exceptionally by the taxpayer to obtain a true image of the assets, financial situation and results of its economic activity, is subject to their approval by the tax authorities.

To this end, taxpayers must submit an application to the Delegation corresponding to their tax domicile, which must include a description of the criteria used, as well as its compliance with the principle of true and fair view that the annual accounts resulting from their accounting must provide.

Likewise, the taxpayer must explain the impact, for tax purposes, of the temporary imputation criterion.

Note: *The use of tax imputation criteria other than accrual or the change in the imputation criteria may not alter the tax classification of the computable income and deductible expenses, nor cause any collection or payment to cease to be computed or to be computed again in another fiscal year.*

Individualization of the returns from economic activities

Regulations: Art. 11.4 Law IRPFABBR

In accordance with article 11.4 of the Law of IRPFABBR The income from economic activities is considered to be obtained by those who carry out said activities habitually, personally and directly, and it is presumed for these purposes, unless proven otherwise, that these requirements are met by those who appear as owners of them.

In the case of family units in which one of its members carries out economic activities, the regulations of IRPFABBR It defines the tax treatment of the relationships that may exist between members of the same family unit in relation to the following issues:

A. Work benefits between members of the same family unit

Regulations: Art. 30.2 2 Law IRPFABBR

Remuneration for the work of the spouse or minor children in the economic activity carried out by the taxpayer is considered as income from dependent work for the recipient and as a deductible expense for the payer, provided that the following requirements are met:

- Sufficient proof that the spouse or unemancipated minor child of the owner of the economic activity works regularly and continuously in the same.
- Cohabitation of the spouse or minor child with the owner of the activity.
- Existence of employment contract.
- Affiliation of the spouse or minor child to the corresponding Social Security regime.
- Existence of remuneration stipulated for the work carried out, which cannot be higher (although they may be lower) than the market remuneration corresponding to the professional qualifications and work carried out by the spouse or minor children. If they are higher, the excess over the market value will not be a deductible expense for the payer.

B. Transfers of assets or rights between members of the same family unit

Regulations: Art. 30.2 3 Law IRPFABBR

When the taxpayer's spouse or minor children who live with him/her make transfers of assets or rights that serve the purpose of the economic activity in question, the owner of said activity may deduct to determine the income from said activity, the consideration stipulated for said transfer, provided that it does not exceed the market value and, in the absence of the former, the latter may be deducted.

Correlatively, the stipulated consideration or the market value will be considered as capital income of the spouse or minor children for all tax purposes.

Important : *The use of assets common to both spouses by the spouse who carries out an economic activity is not considered a transfer for tax purposes and does not generate any remuneration between them.*

C. Particularities in the activities covered by the objective estimation method

When the owner of the economic activity determines the net income of his activity using the objective estimation method, the remuneration stipulated with his spouse or minor children for the work they perform in the service of the activity is not deductible in any case, since in the aforementioned method the net income is determined based on objective signs, indices or modules that already foresee this circumstance.

However, if the spouse or minor children are considered salaried personnel for the purposes of the aforementioned method, the stipulated remuneration is considered employment income subject to the IRPFABBR.

Similarly, the consideration (or the market value, failing that) corresponding to the transfer of assets or rights that the spouse or minor children make for use in the activity are not deductible. For their part, the compensation received by the spouse or minor children is considered capital gains and must be declared as such.

Chapter 7. Income from economic activities. Direct estimation method

The Tax Agency's electronic headquarters includes a " [Virtual Income Assistant](#) ", where you can find out how to calculate the income derived from your economic activity, using the direct estimation method (normal or simplified), including information on deductible expenses.

Concept and scope of application of the direct estimation method

Regulations: Articles 16.2 a) and 30.1 Law IRPFABBR

Direct estimation is the general method for determining the amount of the different components of the taxable base of IRPFABBR, which obviously include those derived from the exercise of economic activities. This method is based on the declarations submitted by the taxpayer, as well as on the data recorded in the accounting books and records that he is required to keep, verified by the tax authorities.

When it comes to determining the performance of economic activities in the IRPFABBR The direct estimation method allows for two modalities: normal and simplified.

Scope of application of normal mode

The standard method of direct estimation must be applied in the 2025 tax year to determine the net income of all economic activities carried out by the taxpayer, unless the net income of all of them is determined by the objective estimation method, provided that either of the following two requirements is met:

- **That the net amount of the turnover of the previous year**, corresponding to the set of activities carried out by the taxpayer , **exceeds 600,000 euros per year**.

When an activity has been started in the immediately preceding year, the net amount of the turnover will be raised to the year, for these purposes only.

- **That the simplified form of the direct estimation method be renounced.**

For the purposes of delimiting the scope of application of the normal form of the direct estimation method, please note that the economic activities eligible for the objective estimation method and the requirements for their inclusion can be consulted in Chapters [8](#) and [9](#).

Scope of application of the simplified modality

Regulations: Art. 28 Regulation IRPFABBR

Requirements

The simplified form of the direct estimation method is **voluntary**, so the taxpayer **may waive its application**. In the absence of a waiver, this method must be applied in the 2025 tax year to determine the net income from all economic activities carried out by the taxpayer, provided that:

a. Do not determine the net income of all your activities by the **objective estimation method**.

For these purposes, it should be noted that the economic activities eligible for the objective estimation method and the requirements for their inclusion can be consulted in Chapters [8](#) and [9](#).

b. The net amount of the turnover of the previous year, corresponding to all the activities carried out by the taxpayer, **does not exceed 600,000 euros per year**.

For the purposes of determining this exclusion limit, the following shall not be considered as income: IVAABBR accrued and, where applicable, the equivalence surcharge passed on, in cases where the activity carried out is taxed under the general regime or the simplified special regime of VAT, since in these regimes taxpayers are obliged to submit the corresponding settlements of the same.

However, when the activities are taxed under the special regime of the equivalence surcharge or under the special regime for agriculture, livestock and fishing of the IVAABBR, the quotas of IVAABBR Amounts theoretically affected by the equivalence surcharge scheme or compensation derived from the special scheme for agriculture, livestock and fishing must be included within the income volume of the aforementioned activities, since in these schemes the affected taxpayers do not have to make any settlement of IVAABBR. This tax, in any case, represents either a higher income or a higher expense for the activity.

When the activity had been started in the immediately preceding year, the net amount of the turnover will be raised to the year, for these purposes only.

When no activity was carried out in the immediately preceding year, the income will be determined by this modality, unless it is waived under the terms discussed below.

c. No activity carried out by the taxpayer is **in the normal mode** of the direct estimation method.

Note: with the exception of activities included in the objective estimation method, in **first year of carrying out the activity, the net income will be determined by this method, unless it expressly waived, regardless of the net amount of the resulting turnover at the**

end of the year.

Determination of the net amount of sales revenue

The net amount of turnover is made up of the difference between the following positive and negative items:

Positive games

- The amount from the sale of products and the provision of services or other income derived from the ordinary activity of the company, understood as the activity that the company carries out regularly and from which it obtains its periodic income.

It should be noted that, on certain occasions, in business reality, several activities are carried out simultaneously, which could be called multi-activity. In this case, in relation to the determination of the "net amount of turnover", it must be understood that the income produced by the different activities of the company will be considered in the calculation of ordinary activities, to the extent that they are obtained regularly and periodically and are derived from the economic cycle of production, marketing or provision of services of the company, that is, from the circulation of goods and services that are the object of its traffic.

In no case are products for sale consumed by the company itself, or work carried out for itself, included in the annual turnover amount.

- The purchase price or production cost of goods or services delivered in exchange for non-monetary assets or as consideration for services that represent expenses for the company.

Exchanges of homogeneous elements, such as exchanges of fungible raw materials between two companies or exchanges of finished products or interchangeable merchandise between two traders **are not included in this heading and are therefore excluded**

- The amount of subsidies granted to the company individually based on and forming part of the price of the product units sold or the level of services provided.

Neither the amount of the remaining subsidies nor the financial income are included.

Therefore, "subsidies" are generally not included in determining the net amount of turnover, and are only admitted in exceptional cases that occur within the framework of certain specific activities, in which the subsidy is granted on an individual basis, based on units of product sold or services provided.

Negative items

In all cases, the following items shall be deducted from the amount obtained in accordance with the provisions of the previous section:

- The amounts of sales returns.
- "Rebates" on sales or provision of services.
- Trade discounts made on income computed in the annual turnover.
- Early payment discounts granted outside of invoice.

- He IVAABBR and Special Taxes (which tax the manufacture or import of certain goods), if they have been included in the amount of sales or the provision of services and must be passed on.

See article 35.2 of the Commercial Code; the Standard for the preparation of annual accounts (NECA) 11 of the General Accounting Plan, approved by Royal Decree 1514/2007, of November 16 (BOE of November 20) and NECA 9 of the General Plan for Small and Medium-sized Enterprises and the specific accounting criteria for micro-enterprises, approved by Royal Decree 1515/2007, of November 16 (BOE of November 20), as well as article 34 of the Resolution of February 10, 2021 (BOE of February 13), of the Institute of Accounting and Auditing of Accounts (ICAC).

Waiver or exclusion of the simplified modality

• Waiver of the simplified modality and revocation of the waiver

Regulations: Art. 29.1 Regulations IRPFABBR

As indicated, the simplified direct estimation method is a **voluntary method, which implies that the taxpayer can renounce** the application of it to determine the net return of its economic activities. .

The resignation must be made during the **month of December prior to the beginning of the** calendar year in which it must take effect. In the year in which the activity begins, the resignation must be made prior to the actual exercise of the activity.

Once submitted, the resignation will be **for a minimum period of three years** After this period, it will be understood to be tacitly extended for each of the following years in which the modality could be applicable, unless it is revoked within the period mentioned above .

Both the resignation and its revocation will be carried out in the corresponding census declaration, in accordance with the provisions of articles 9 and following of the General Regulation of the actions and procedures of tax management and inspection and development of the common rules of the procedures for the application of taxes, approved by Royal Decree 1065/2007, of July 27 (BOE of September 5).

The declaration may be submitted using a single census declaration form 036 approved by Order EHA/1274/2007, of April 26 (BOE of May 10), most recently amended by Order HAC/1526/2024, of December 11 (BOE January 9).

Please note that from February 3, 2025, as a result of the development of new census assistance tools and the improvement in completion assistance programs, the simplified census declaration (form 037) is eliminated, as it is understood that the simplification that this form represented in the presentation of census declarations for registration, deregistration and modification in the census of entrepreneurs, professionals and withholding agents can be offered through form 036 itself. See the Order for these purposes HAC/1526/2024, of December 11 (BOE January 9).

• Exclusion of the simplified modality

Regulations: Art. 29.2 RegulationsIRPFABBR

The exclusion of the simplified modality occurs due to the fact that **the net amount of the business figure** corresponding to the set of activities carried out by the taxpayer **exceeds the amount of 600,000 euros per year** .

The exclusion will take effect from the beginning of the year immediately following the year in which said circumstance occurs. Consequently, in the year in which the amount of 600,000 euros per year is exceeded, the simplified form of the direct estimation method is used.

- **Consequences of waiving or excluding the simplified modality**

Regulations: Art. 29.3 Regulations IRPFABBR

The waiver or exclusion of the simplified modality has as a consequence that the net income of all economic activities developed by the taxpayer must be determined **for a minimum period of the following three years by the normal modality of this method** .

Incompatibility between methods and modalities for determining net performance

Regulations: Art. 28.3 Regulations IRPFABBR

The system of relationships between the methods of determining net income, direct estimation and objective estimation, is characterized by a rigid incompatibility between them . Thus, if the taxpayer determines the net income of any of its economic activities using the direct estimation method, simplified modality, it must determine the net income of all its remaining activities using this same method, even if they are activities that may be included in the objective estimation method.

Similarly, if the taxpayer determines the net income of any of its economic activities using the normal method of direct estimation, it must determine the net income of all its activities using this same method.

However, **when an economic activity is started during the year for which the simplified modality is waived**, the incompatibility will not take effect for that year with respect to the activities that were previously carried out, so that said year the direct estimation method, normal modality, will be used simultaneously for determining the net income of the new activity and the direct estimation method, simplified modality, for the rest of the activities, all of which will be taxed in the following year by direct estimation, normal modality, as a consequence of the waiver.

Entities in the income allocation system

Regulations: Art. 31 Regulations IRPFABBR

Entities under the income attribution regime that carry out economic activities will apply the simplified form of the direct estimation method, unless it is expressly waived, provided that the following requirements are met:

- a. **That all its partners, heirs, commoners or participants are natural persons who pay income tax.**
- b. **That the entity meets the previously mentioned requirements, which determine the application of the modality.**

Consequently, the application of the direct estimation method to these entities does not depend on the circumstances that occur individually in each of its members, so the entity may determine its performance in accordance with this method, regardless of the situation of the partners, heirs, co-owners or participants in relation to the activities that they personally carry out.

The waiver of the simplified modality of the direct estimation method must be made by all partners, heirs, commoners or participants. However, the revocation of such resignation does not require unanimity, in accordance with the provisions of the regulations governing the census declaration.

The net income determined by the [entity under the income attribution regime](#) will be attributed to the partners, heirs, commoners or participants, according to the rules or agreements applicable in each case and, if these are not reliably recorded by the Administration, it will be attributed in equal parts.

Please note that, with effect for tax periods beginning on or after 1 January 2016, civil companies with commercial purposes are taxpayers of Corporate Tax, and therefore the income attribution regime is no longer applicable to them.

Examples

Example 1:

Mr. SMG In addition to the free practice of his profession, which he has been developing since 1990, the lawyer has started in 2025 the exercise of an agricultural activity that may be included in the objective estimation method.

How will you determine the net income from both activities in 2025, knowing that the net amount of turnover from your professional activity did not exceed 600,000 euros per year in the 2024 financial year?

Solution:

The net income from the professional activity must be determined in the simplified form of the direct estimation method, since the net amount of turnover in the immediately preceding year (2024) did not exceed 600,000 euros per year. Furthermore, given the incompatibility between the direct estimation method and the objective estimation method, the determination of the net yield from agricultural activity must also be carried out using the simplified form of the direct estimation method.

Example 2:

Mr. JJC, businessman, determines the net income of his economic activity using the simplified form of the direct estimation method. On May 5, 2025, a new economic activity begins that is not included in the scope of the objective estimation method and for which the simplified modality of the direct estimation method is waived.

How will you determine the net returns from both activities in the 2025 and 2026 fiscal years?

Solution:

In the 2025 fiscal year, the net income of the new activity will be determined in the normal modality of the direct estimation method, while the economic activity that was being carried out will remain in the simplified modality. The incompatibility between both methods of the direct estimation method will not take effect until the following year, 2026, in which the net income derived from both activities must be determined in the normal method of the direct estimation method.

Example 3:

Mr. AVC A business activity to which the objective estimation method does not apply begins on July 1, 2025. The net amount of turnover in 2025 amounted to 425,000 euros.

How will the net performance of the activity be determined in the 2025 and 2026 financial years?

Solution:

In the 2025 tax year, the net income will be determined using the simplified method of direct estimation, as it has not expressly waived its application.

In the 2026 financial year, the normal method of direct estimation must be applied, since the net amount of the annual turnover exceeds 600,000 euros annually ($425,000 \times 12/6 = 850,000$).

Phase 1. Determination of net return

Introduction

Regulations: Articles 28.1 and 30 Law IRPFABBR, 30 Regulation IRPFABBR; 12 to 16 LIS and 3 to 7 Regulation IS

The determination of the net income from economic activities using the direct estimation method is carried out in accordance with the Corporate Tax (IS) regulations, without prejudice to the rules contained for this purpose in the Personal Income Tax Law and Regulations.

By virtue of this reference to the Corporate Tax regulatory block, the determination of net income must be carried out by correcting, through the application of the qualification, valuation and imputation criteria established in the aforementioned regulations, the accounting result determined in accordance with the provisions of the Commercial Code and its development regulations, especially those contained in the General Accounting Plan.

However, given that in the field of IRPFABBR The obligation to keep accounts in accordance with the Commercial Code and other implementing regulations does not affect all taxpayers engaged in economic activities; corrections or adjustments of a tax nature must be made as follows:

- **Taxpayers required to keep accounting records in accordance with the Commercial Code** (holders of commercial business activities whose net income is determined using the normal method of direct estimation): They must apply corrections and adjustments of a fiscal nature to the components of the accounting result, that is, to income and expenses.
- **Taxpayers who are not required to keep accounting records in accordance with the Commercial Code** (holders of non-commercial business activities, professionals, artists or athletes, regardless of the method of determining their net income and holders of business activities whose net income is determined using the simplified form of the direct estimation method): They must apply these same tax principles to the income and expense records that appear in their registration books to formulate the net income of the activity.

In short, the determination of net income in the direct estimation method, in any of its forms, must be carried out based on the tax concepts of total income and tax-deductible expenses that appear in the declaration form.

To do this, the tax criteria for imputation, qualification and valuation detailed below must be applied to each of the items that are considered computable income and deductible expenses, as well as the [tax incentives established for small companies](#).

Note: For the purposes of declaring net income using the direct estimation method, all of the economic activities carried out by the taxpayer that belong to each of the following groups are considered independent economic activities:

A01 Lessors of urban real estate
A02 Independent livestock farming
A03 Other business activities not included in other sections
A04 Professional activities of an artistic or sporting nature
A05 Other professional activities
B01 Agricultural activity
B02 Dependent livestock activity
B03 Forestry activity
B04 Mussel production in rafts
B05 Fishing activity, except for the activity of mussel production in rafts

Summary table: Determination of net performance (Income - Expenses)

Summary table: Determination of net performance (Income - Expenses)

	Direct estimation (normal mode)	Direct estimation (simplified mode)
Revenues	(+) Operating income (+) Financial income derived from the deferral or fractionation of operations carried out in the development of the activity. (+) Current grant income (+) Capital subsidy income imputations (+) Self-consumption of goods and services (+) VAT accrued (for example, equivalence surcharge and agriculture, livestock and fishing surcharge) (+) Other income (+) Transfer of assets that have enjoyed freedom of amortization: excess of deductible amortization over deductible amortization. (+) Change in stock (only if there is an increase in stock at the end of the year)	(+) Operating income (+) Financial income derived from the deferral or fractionation of operations carried out in the development of the activity. (+) Current grant income (+) Capital subsidy income imputations (+) Self-consumption of goods and services (+) VAT accrued (for example, equivalence surcharge and agriculture, livestock and fishing surcharge) (+) Other income (+) Transfer of assets that have enjoyed freedom of amortization: excess of deductible amortization over deductible amortization. (+) Change in stock (only if there is an increase in stock at the end of the year)
Bills	(-) Purchase of goods (-) Change in stock of goods (only if there is a decrease in stock at the end of the year) (-) Other operating consumption (-) Wages and salaries (-) Social Security paid by the company (-) Social Security or contributions to alternative mutual funds of the activity holder	(-) Purchase of goods (-) Change in stock of goods (only if there is a decrease in stock at the end of the year) (-) Other operating consumption (-) Wages and salaries (-) Social Security paid by the company (-) Social Security or contributions to alternative mutual funds of the activity holder (-) Compensation

	Direct estimation (normal mode)	Direct estimation (simplified mode)
	(-) Compensation (-) Salaried staff allowances and travel allowances (-) Contributions to social security systems established for the benefit of workers (-) Other personnel expenses (-) Maintenance expenses of the owner in the development of his activity (-) Leases and fees (-) Reparations and conservation (-) Supply (electricity, water, gas, telephone and Internet) (-) Other supplies (-) Services of independent professionals (-) Insurance premiums (-) Other external services (-) Financial expenses (-) Input VAT (for example, equivalence surcharge and agriculture, livestock and fishing surcharge) (-) Other tax-deductible taxes (-) Provisions for the year for amortization of tangible fixed assets (-) Provisions for the year for amortization of intangible fixed assets (-) Losses due to insolvency of debtors (-) Tax incentives for patronage: collaboration agreements in activities of general interest (-) Tax incentives for patronage: expenses on activities of general interest	(-) Salaried staff allowances and travel allowances (-) Contributions to social security systems established for the benefit of workers (-) Other personnel expenses (-) Maintenance expenses of the owner in the development of his activity (-) Leases and fees (-) Reparations and conservation (-) Supply (electricity, water, gas, telephone and Internet) (-) Other supplies (-) Services of independent professionals (-) Insurance premiums (-) Other external services (-) Financial expenses (-) Input VAT (for example, equivalence surcharge and agriculture, livestock and fishing surcharge) (-) Other tax-deductible taxes (-) Provisions for the year for amortization of tangible fixed assets (-) Provisions for the year for amortization of intangible fixed assets (-) Losses due to insolvency of debtors (-) Tax incentives for patronage: collaboration agreements in activities of general interest (-) Tax incentives for patronage: expenses on activities of general interest (-) Other tax-deductible expenses (except provisions)

	Direct estimation (normal mode)	Direct estimation (simplified mode)
	(-) Other tax-deductible expenses (except provisions)	
Provisions	(-) Tax-deductible provisions	(-) Set of deductible provisions and expenses that are difficult to justify (5% on the positive difference between previous income and expenses with a maximum of 2,000 euros)
= NET YIELD		

Full computable income

The following are considered computable gross income derived from the exercise of economic, business or professional activities:

1. Operating income

This is considered to be the total amount of income derived from the sale of goods or provision of services that constitute the actual object of the activity, including, where applicable, those from services accessory to the main activity.

See registration and valuation standard 14 of the General Accounting Plan, approved by Royal Decree 1514/2007, of November 16 (BOE of November 20), dedicated to income from sales and provision of services.

According to this standard, income from the sale of goods and the provision of services will be valued at **the fair value of the consideration**, received or to be received, derived from them, which, unless there is evidence to the contrary, will be the agreed price for said goods or services, less the amount of any discount, reduction in price or other similar items that the company may grant, as well as the interest incorporated into the nominal value of the credits. However, interest incorporated into trade credits with a maturity of no more than one year that do not have a contractual interest rate may be included when the effect of not updating the cash flows is not significant.

Taxes levied on sales of goods and provision of services that the company must pass on to third parties, such as Value Added Tax and Special Taxes, as well as amounts received on behalf of third parties, **will not form part of income**.

When consideration is involved and this is significantly lower than the market value of the goods sold and the services provided, the valuation of the same will be carried out at their normal market value.

In economic operations carried out with a company with which there are relationships of connection in the terms provided for in article 18 of the LIS, operations between related persons or entities will be valued at their market value. Market value shall be understood as that which would have been agreed upon by independent persons or entities under conditions that respect the principle of free competition.

In these cases, the owner of the activity must comply with the documentation obligations of related-party transactions under the terms and conditions established in Chapter V of Title I (Articles 13 to 16) of the Corporate Tax Regulations, approved by Royal Decree 634/2015, of July 10 (BOE of July 11).

Associated persons or entities:

To determine when there is a link, the provisions of article 18.2 of the LIS must be taken into account, in which the following are considered linked persons or entities:

- An entity and its partners or shareholders.
- An entity and its directors or administrators, except with regard to remuneration for the performance of their functions.
- An entity and the spouses or persons related by kinship, in a direct or collateral line, by consanguinity or affinity up to the third degree of the partners or participants, directors or administrators.
- An entity and the directors or managers of another entity, when both entities belong to a group.

In cases where the link is defined based on the relationship of the partners or participants with the entity, the participation must be equal to or greater than 25%. The reference to administrators will include those de jure and those de facto. In cases where the link is not defined based on the relationship between partners or participants-entity, the percentage of participation to be considered will be 25%.

In these cases, the taxpayer of IRPFABBR must comply with the documentation obligations for related-party transactions under the terms and conditions established in Chapter V (Articles 13 to 16) of the Corporate Income Tax Regulations, approved by Royal Decree 634/2015, of July 10 (BOE July 11).

2. Financial income derived from the postponement or fractionation of operations carried out in the development of the activity

This heading includes the compensation obtained by the taxpayer for the deferral or fractionation of the price of operations carried out in the development of his usual economic activity.

3. Income from current grants and capital grants

Tax specialties of certain subsidies and public aid

A. Subsidies from the Common Agricultural Policy and other public aid (current subsidies)

Regulations: Fifth Additional Provision of the Law IRPFABBR and art.11 Royal Decree-Law 6/2024, of November 5

Positive income arising from the following will not be included in the tax base:

- **The perception of the following aid from the Community agricultural policy:**
 1. Definitive abandonment of vineyard cultivation.

2. Bonus for uprooting apple orchards.
3. Bonus for uprooting banana trees.
4. Permanent abandonment of milk production.
5. Definitive abandonment of the cultivation of pears, peaches and nectarines.
6. Starting of pear, peach and nectarine plantations.
7. Definitive abandonment of the cultivation of sugar beet and sugar cane.
8. From 1 January 2023, support for climate and environmental protection schemes (eco-schemes).

- **The perception of the following aid from the Community fisheries policy:**

1. Permanent suspension of a vessel's fishing activity and its transfer for the establishment of joint ventures in third countries.
2. Definitive abandonment of fishing activity.

- **The receipt of public aid aimed at repairing the destruction** , due to fire, flooding, subsidence, volcanic eruption or other natural causes, of heritage elements.

See in this regard the section on " [Exemptions for income from economic activities](#) " in chapter 2 of this manual.

As a consequence of the eruption of the Cumbre Vieja volcano on the island of La Palma, the wording of section 1.c) of the fifth Additional Provision of the Law is modified, with effect from 1 January 2021. IRPFABBR by article 4.1 of Royal Decree-Law 25/2021, of November 8, Royal Decree-Law 25/2021, of November 8, on measures in the area of Social Security and other fiscal measures of social support for the island of La Palma (BOE of November 9), to specifically include volcanic eruption as a cause for declaring exempt the receipt of public aid intended to repair the destruction caused by it to heritage elements.

- **The perception of aid for the abandonment of road transport activity** paid by the Ministry of Public Works (currently, the Ministry of Transport and Sustainable Mobility) to transporters who meet the requirements established in the regulations governing the granting of said aid.

See Order FOM /3218/2009, of November 17 (BOE of November 30) amended by Order FOM /2835/2012, of November 17 (BOE of January 1, 2013), and Order FOM /64/2017, of January 30, which modifies the previous ones and regulates the electronic processing of procedures.

- **The receipt of public compensation for the compulsory slaughter of animals intended for breeding** of the livestock, within the framework of actions aimed at the eradication of epidemics or diseases.
- **Public aid** other than that listed above **received for the repair of damage to property assets** due to fire, flooding, subsidence or other natural causes will only be included in the tax base in the part that exceeds the cost of repairing them.

In no case will the repair costs, up to the amount of the aforementioned aid, be tax deductible or counted as an improvement.

Public aid received to compensate for the temporary or permanent eviction for identical reasons of the premises in which the owner of the economic activity carried out the same be included in the personal income tax base.

Please note the provisions regarding this type of aid in the section " [Exemptions for income from economic activities](#) " in Chapter 2 of this manual.

Rules for calculating income that is not included in the taxable base of IRPFABBR

Although the subsidy or public aid attempts to absorb any possible loss experienced in the assets, in those cases in which the amount of these subsidies or aid is less than the losses or decreases in value that, where applicable, have occurred in the assets, the negative difference may be recorded in the declaration as a capital loss.

Where there are no losses, only the amount of the aid will be excluded from taxation.

The following table shows the tax treatment of these subsidies and public aid based on the amount received and the result produced (capital gain or loss) in the elements to which the aid or subsidy refers.

Sign of the alteration of the patrimonial produced	Amount of the grant or aid received	Income to be included in the declaration
Loss	Greater than the patrimonial loss	None
	Less than the capital loss	Loss of assets (difference between the subsidy or aid received and the loss experienced)
Revenue (**)	Any	Only the capital gain obtained

Notes to the table:

(*) Determined according to the general rules of IRPFABBR for the calculation of the amount of capital gains and losses, without including the amount of aid or subsidy. [\(Back\)](#)

(**) This assumption may occur in cases where the realizable value of the damaged or destroyed assets is greater than the net book value of the same assets. [\(Back\)](#)

Also, please note that the **Direct aid to businesses and professionals especially affected by the DANA storm, granted under Article 11 of Royal Decree-Law 6/2024**, of November 5 (BOE of November 6), will be exempt from taxation with certain [nuances](#), and that the aid granted to compensate for the loss of income in the affected agricultural holdings referred to in Article 24 of Royal Decree-Law 7/2024, of November 11, is exempt by application of the Fifth Additional Provision of the Law of IRPFABBR. See in this regard the [summary table](#) contained in Chapter 2 of this Manual.

B. Forestry subsidies

Regulations: Fourth Additional Provision of the Law IRPFABBR

Subsidies granted to those who exploit forest farms managed in accordance with technical forest management plans, forest management, forestry plans or reforestation plans approved by the competent forestry authority will not be included in the tax base, provided that the average production period, depending on the species in question, is equal to or greater than 20 years.

C. Financial aid for high-level athletes

Regulations: Article 4 of the Regulations IRPFABBR

By virtue of its exemption established in article 7.m) of the Law of IRPFABBR For these grants, the income from professional activities that may be carried out by those who have the recognized status of high-level athletes will not include the financial aid for sports training and technical development, with a limit of 60,100 euros per year.

The exemption is subject to compliance with the following requirements:

- That its beneficiaries have been recognized as high-level athletes, in accordance with the provisions of Royal Decree 971/2007, of July 13, on high-level and high-performance athletes (BOE of July 25).
- That they are financed, directly or indirectly, by the Higher Sports Council, by the Olympic Sports Association, by the Spanish Olympic Committee or by the Spanish Paralympic Committee.

Current and capital subsidies: distinction

Public aid gives rise to different tax treatment depending on the classification that should be granted to it: Current and capital grants.

Capital grants

Capital grants are those whose primary purpose is to promote the installation or start-up of the activity, as well as the realization of investments in fixed assets (buildings, machinery, installations, etc.), or multi-year projection expenses and are charged as income to the same extent as the investments or expenses incurred against them are amortized.

Therefore, the subsidy will have the character of a capital subsidy provided that its purpose is to finance the fixed assets or capital of the entrepreneur or professional. However, if its purpose is to guarantee, at the start of the activity, a minimum income or to offset expenses for the year, it must be treated as a current subsidy.

Capital grants will be recorded as income for the year in proportion to the depreciation provision made in that period for the aforementioned items or, where applicable, when their disposal, impairment correction or removal from the balance sheet occurs, even if the taxpayer has previously opted for the criterion of temporary allocation of collections and payments or the cash criterion, given its specialty and the reference that the Personal Income

Tax Law makes to the specific regulations of the Corporate Tax and this, in turn, to the accounting result. Supreme Court rulings No. 392/2022, of March 29, and 398/2022, of March 30, respectively, in the appeals for cassation No. 3679/2020 (ROJ : STS 1456/2022) and 8193/2020 (RED: STS 1285/2022).

However, in those cases where the assets are not susceptible to amortization, the subsidy will be applied as full income for the year in which the sale or write-off in inventory of the asset financed with said subsidy occurs, applying the 30% reduction typical of [returns obtained in a notoriously irregular manner over time](#).

Particular case: Digital Kit grant

In accordance with Order ETD /1498/2021, of December 29, the purpose of the Digital Kit Program is to grant aid to small businesses, micro-businesses and self-employed individuals for the adoption of commercially available digitalization solutions, included in the Program's Digitalization Solutions Catalogue included on the Acelera pyme platform.

Beneficiaries will receive aid based on their size, measured by the number of employees. The right to collect arising from the resolution granting this aid is called a "digital voucher."

The beneficiary must use the granted aid to contract one or more digitization solutions from those available in a Catalog of Digitization Solutions of the Program included in the Acelera pyme platform, formalizing Digitization Solutions Provision Agreements with the Adhering Digitizing Agents.

The subsidy for digital kits received, insofar as it is intended to finance expenses or investments of holders of economic activities, is classified as income from economic activities, in accordance with the provisions of article 27.1 of the Law of IRPFABBR.

Regarding its temporal imputation, see the [paragraph](#) corresponding to Chapter 6.

Current grants

Current subsidies are those that are normally granted to guarantee a minimum profitability or compensate for losses incurred in the activity and are fully computed as additional income in the period in which they are accrued. That is, when the granting of the subsidy is firmly recognised and quantified, regardless of when it is received.

In this regard, please note the table in Chapter 2 relating to the [aid granted to holders of economic activities affected by the DANA](#).

Notwithstanding the foregoing, if the taxpayer had opted for the cash basis accounting method, under the terms provided for in Article 7.2 of the Regulations of IRPFABBR, which establishes the option of using the cash basis of accounting to temporarily allocate income and expenses derived from economic activities, the subsidy must be allocated in the tax period in which the corresponding payment is received.

4. Self-consumption of goods and services

Regulations: Art. 28.4 Law IRPFABBR

This expression includes the delivery of goods and provision of services whose destination is the private assets of the owner of the activity or his/her family unit (internal self-consumption), as well as the delivery of goods or provision of services made to other people free of charge (external self-consumption).

The valuation for tax purposes of the income corresponding to these operations must imperatively be carried out at the normal market value of the goods or services transferred, or which have been the subject of self-consumption.

Remember: When there is consideration and it is significantly lower than the normal market value of the goods transferred or the services provided, the normal market price of the same will be taken as the criterion for assessing income.

5. Accrued VAT

The following shall not be included in the total income derived from sales or services rendered within the scope of business or professional activity: IVAABBR accrued whose installments must be included in the corresponding tax returns.

On the contrary, the VAT accrued and, where applicable, the compensation received, the amounts of which should not be included in declarations-settlements corresponding to this tax, must be included among the full income derived from sales or provision of services.

Among other assumptions, this circumstance will occur when the economic activity carried out is in one of the following special VAT regimes:

- Special Regime of the Equivalence Surcharge.

In this regime, suppliers pass on the invoice to the retailer as an equivalence surcharge, the corresponding VAT plus the equivalence surcharge, and pay it in.

For its part, the retailer in the equivalence surcharge must pass on to its customers the amount resulting from applying the tax rate to the taxable base corresponding to the sales and other operations they carry out, but in no case can they increase said percentage by the amount of the equivalence surcharge. Please note that the merchant will pass on the resulting fee as indicated above, which corresponds exclusively to commercial operations, as well as to the transfers of assets or rights used exclusively in the activity subject to this special regime.

Therefore, only the VAT that is charged will be included as income.

- Special regime for agriculture, livestock and fisheries.

Taxable persons covered by the special regime are not required to settle, charge and pay VAT.

They receive a flat-rate compensation for deliveries of natural products obtained on their farms to other entrepreneurs who are not covered by the agricultural regime and who do not exclusively carry out exempt domestic operations. This compensation they receive is what should be included as income.

6. Transmission of assets that have enjoyed freedom of amortization: excess deducted amortization with respect to deductible amortization

Regulations: Thirtieth and Fifty-ninth Additional Provisions of the Law IRPFABBR

When the transfer of vehicles or charging facilities that have benefited from the freedom of depreciation provided for in the Eighteenth Additional Provision of the occurs in the 2025 financial year LIS as well as in the case of transfer of assets that have benefited from the free amortization provided for in the Eleventh Additional Provision of the consolidated text of the LIS For the calculation of the capital gain or loss that may result from the transfer, the acquisition value will not be reduced by the amount of the tax-deductible amortizations that exceed those that would have been tax-deductible had the transfer not been applied.

The aforementioned excess, that is, the difference between the amortization carried out and the corresponding amortization, will be considered by the transferor as the full income from the economic activity in the tax period in which the transfer is made.

7. Variation in stocks (only if there is an increase in stocks at the end of the year)

The variation in stock is the difference between the initial and final stock (merchandise and raw materials) of the accounting period, valued at their acquisition price.

The purpose of the variation in stock is to determine the consumption of stock for the year and to adjust the result. Therefore, when the valuation of stock at the beginning of the year is lower than at the end of it, this difference must be reflected as income since it means that part of the stock acquired in the year has not been consumed at the end of it.

Unlike the above, when the valuation of the initial stock is greater than the valuation of the final stock, this negative variation must be reflected as an expense. In this case, this variation means that more stock has been consumed in the year than was acquired throughout the year, also considering the stock that appeared in the inventory on 1 January.

See within "Tax-deductible expenses" the section on "[Change in stock](#)" as well as the registration and valuation rule 10 of the General Accounting Plan, approved by Royal Decree 1514/2007, of November 16 (BOE of November 20), dedicated to the valuation of stock. See also the Resolution of April 14, 2015, of the Institute of Accounting and Auditing of Accounts, which establishes criteria for determining the cost of production.

Example:

Don PXR, dedicated to the sale of household appliances, has stock in its warehouse valued at the beginning of the 2025 fiscal year at 40,000 euros. At the end of the year, the count and inventory of the stock in the warehouse reaches a value of 60,000 euros.

Determine whether the valuation of inventories should appear as income or expense for the year to determine the net income of the activity.

Solution :

Final stock: Assessment: 60,000

Initial stocks: Rating 40,000

Stock variation $(60,000 - 40,000) = + 20,000$

Since the final inventory of stock is higher than the initial one, the difference (20,000 euros) will appear as income for the year for this concept. This means that during the year, 20,000 euros less than the stock acquired during the year was consumed, which ultimately resulted in an increase in final stock of 20,000 euros.

8. Other income

Within this heading, the following concepts, among others, must be computed:

a) Work carried out for company , valued according to the cost of production of the fixed assets produced by the company itself.

b) Excesses and applications of provisions and impairment losses .

c) Other management income .

For example, compensation for mediation services performed accidentally, or for the occasional provision of certain services (transport, repairs, advice, reports, etc.), or income for services to staff.

d) Compensation received from insurance companies for incidents that have affected the company's products (stock of merchandise, raw materials, containers, packaging, etc.), provided that their **destruction** occurs.

It should also be noted that:

- If what occurs is a **repairable damage** , the compensation received from the insurance company **will be income from the activity** that offsets the expense of the repair.
- If the compensation affects **elements of the fixed assets affected** , its amount will not be computed as income, but must **form part of the sale value** of the same for the purposes of determining the resulting capital gain or loss.

Tax deductible expenses

Note: The declaration of deductible expenses will be made by recording those that, having occurred in the development of the activity, are considered tax deductible. Those deductible expenses that do not appear expressly included in the following sections of the declaration will be reflected in the corresponding "Other tax-deductible concepts (except provisions)".

1. Requirements to consider an expense as deductible

Expenses that meet the following requirements are considered tax deductible:

- a. That they are linked to the economic activity carried out. That is, they are specific to the activity.

The deductibility of expenses is conditioned by the **principle of their correlation with income**, such that those expenses that are proven to have been incurred in the exercise of the activity, that are related to the obtaining of income, will be deductible, in the terms provided for in the legal provisions indicated above, while when such a link does not exist or is not sufficiently proven, they could not be considered as fiscally deductible from the economic activity.

In the case of **seasonal activity** (restaurant), the amount of the rent for the premises paid during the period of time in which the activity is closed, given its seasonal nature, must be considered to be correlated with the development of the restaurant activity, since they are made with the intention of restarting the activity in the following season.

In relation to the **deductibility of expenses incurred prior to** the start of the activity, please note that article 9.4 of RGAT establishes that:

- The declaration of registration in the census of entrepreneurs, professionals and withholding agents must be submitted prior to the start of the corresponding activities, and
- The commencement of a business or professional activity shall be deemed to have taken place from the moment any deliveries, services or acquisitions of goods or services are made, collections or payments are made or personnel are hired, for the purpose of participating in the production or distribution of goods or services.

According to the above, only expenses incurred by the taxpayer after registering and starting their activity will be deductible.

b. That they are adequately justified.

In accordance with the provisions of article 106.4 of the LGT, deductible expenses and deductions that are made, when they are originated by operations carried out by entrepreneurs or professionals, must be justified, as a priority, by means of the **invoice** delivered by the entrepreneur or professional who has carried out the corresponding operation that meets the requirements indicated in the tax regulations.

However, and without prejudice to the foregoing, invoice **does not constitute** a privileged means of proof regarding the existence of the operations, so once the Administration has reasonably questioned its effectiveness, it is up to the taxpayer to provide evidence regarding the reality of the operations.

c. That they are registered in the accounting or registration books that taxpayers who carry out economic activities must keep on a mandatory basis.

2. Purchase, Inventory Variation and Other Operating Consumption

The following concepts, which appear differentiated in the declaration, are included within this category. IRPFABBR.

a. Purchase of stocks (merchandise and raw materials)

This category includes current purchases of goods made from third parties, provided they meet the following two requirements:

1. That they are carried out to obtain income.
2. That they are assets that are part of current assets.

Additional expenses must be included in the acquisition price, such as transportation, insurance, loading and unloading and others directly attributable to the acquisition, as well as the taxes that fall on them **except** deductible input VAT.

Therefore, the non-deductible input VAT will form part of the acquisition price. This rule is equally applicable, where applicable, to IGIC and any other indirect tax incurred in the acquisition of assets or services, which is not directly recoverable from the Public Treasury.

This price is the amount invoiced by the seller (after any discount, price reduction or similar, as well as the interest incorporated into the nominal amount of the debts), which will include the additional costs that occur until the goods are located for sale (transport, tariffs, insurance...).

b. Inventory variation (only if there is a decrease in inventory at the end of the year)

To determine the consumption of stocks during the year, it is necessary to determine, in addition to taking into account the purchases made, the stocks not consumed in the year, that is, the variation in stocks. Thus, when the initial stock is greater than the final stock, that is, when there is a decrease in the latter, this variation will be reflected as an expense for the year.

Unlike the above, when the stock at the beginning of the year is less than at the end of it, that is, when there is an increase in stock, it will be reflected as income.

As regards the valuation criteria for stocks, it should be emphasised that the value of the final stocks, which must coincide with the value of the initial stocks for the following year, can be determined by their acquisition price or production cost, with the weighted average cost and FIFO being accepted as valuation criteria for homogeneous groups of stocks.

See within "Computable gross income" the section on "[Change in stock](#)" as well as the registration and valuation rule 10 of the General Accounting Plan, approved by Royal Decree 1514/2007, of November 16 (BOE of November 20), dedicated to the valuation of stock. See also the Resolution of April 14, 2015, of the Institute of Accounting and Auditing of Accounts, which establishes criteria for determining the cost of production.

c. Other operating consumption

This includes the consumption of other supplies (other than merchandise and raw materials) intended for the production process or used in the provision of services (incorporable elements and assemblies, fuels, spare parts, various materials, containers, packaging, office supplies, etc.).

Tax treatment of partial refund for diesel for professional use and for diesel used in agriculture, livestock and fishing

Since taxpayers of IRPFABBR the rules applicable to taxpayers of ESI it is necessary to take into account accounting standard 10 (Inventory), which states in paragraph 1 that indirect taxes levied on inventory will only be included in the acquisition price or production cost when they are not directly recoverable from the Public Treasury.

The Hydrocarbon Tax is an indirect tax that is recoverable directly from the Treasury, so the part that is returned does not form part of the purchase price of the fuel, that is, it would not be a tax-deductible expense or income from the activity.

If exceptionally it is not directly recoverable, the payment of the Tax would be a deductible expense and the refund of part of it would constitute income from the activity.

Incorporatable elements and assemblies are understood to be those normally manufactured outside the company and acquired by it to be incorporated into its production without being subjected to transformation.

In the case of fuels, only the consumption of energy materials that can be stored will be included.

Spare parts are parts intended to be installed in installations, equipment or machines to replace similar ones.

Miscellaneous materials are understood to be other consumable materials that are not to be incorporated into the manufactured product.

The consumption of the year will be the result of adding to the initial stock of such goods, the acquisitions made during the year, and of reducing said sum by the value of the final stock of the period.

Note: *Unlike the stock of merchandise and raw materials, in the case of "Other operating consumption" only what was consumed in the year will be reflected.*

3. Personnel costs

Within this category, the following concepts can be included, which appear clearly differentiated in the declaration of IRPFABBR.

a. Wages and salaries

Amounts accrued by third parties under an employment relationship must be included. These include salaries, extra payments, remuneration in kind (including any corresponding payment on account, provided that it has not been passed on to the recipients), as well as prizes.

Specializations in the IRPFABBR of work benefits between members of the same family unit

Regulations: Art. 30.2.2 Law IRPFABBR

The following are considered deductible expenses: remuneration paid to other members of the holder's family unit, provided that all of the following requirements are met:

- That the spouse or minor children work regularly and continuously in the business or professional activities carried out by the holder of the same.

- That the spouse or minor child of the owner of the activity live with the latter.
- That there is an appropriate employment contract, of any of the modalities established in the Workers' Statute and other development provisions.
- That the spouse or minor child is registered with the corresponding Social Security regime.
- That the remuneration stipulated with each of them, corresponding to their professional qualifications and the work performed, is not higher than market rates. If they are higher, the excess over the market value will not be a deductible expense for the payer.

The stipulated remunerations are considered work income for their recipients for all tax purposes.

However, if the owner of the activity could prove that the spouse or minor children work in the activity under a dependent employment regime and the remaining requirements of the aforementioned article 30 are met, in such cases the remuneration to the spouse or minor children would be considered a deductible expense. Therefore, the owner of the activity may deduct, as an expense of the activity, the RETA contributions paid by his/her spouse or minor children. In accordance with this qualification, the remuneration obtained by the spouse or minor children will be considered as work income for them.

Consequently, if, in accordance with the above, the remuneration to the spouse were not considered deductible, they would not be considered income for the recipient either.

b. Employers' social security

The amounts paid to Social Security for social contributions by the company based on the salaries and wages of its staff will be included.

c. Compensation

This includes amounts given to company personnel to compensate them for damage or loss, even if they are exempt for the recipient. Specifically included in this section are severance pay and early retirement benefits.

d. Diets and travel allowances for employed personnel

This will include amounts paid by the company to cover or offset the costs of food and lodging in restaurants, hotels and other hospitality establishments, as well as the travel expenses incurred by its employees when travelling to municipalities other than their usual place of work (even if they are exempt from personal income tax for the recipient).

e. Contributions to social security systems established for the benefit of workers

- Contributions to pension plans or company social security plans

In accordance with the provisions of article 14.2 of the LIS , contributions or contributions made by the employer or professional as promoter of a pension plan regulated in the consolidated text of the Law on the Regulation of Pension Plans and Funds, as well as those made to company social security plans in which their employees are participants or insured, will be deductible, provided that they are attributed to each participant or insured in the corresponding part, except in the case of contributions made in favor of beneficiaries on an extraordinary basis when necessary to guarantee current benefits or the rights of participants in plans that include defined benefit schemes for retirement and it has been revealed, through actuarial reviews, the existence of a deficit in the pension plan.

Since 1 January 2013, collective dependency insurance has been accepted as an insurance contract suitable for implementing pension commitments assumed by companies.

See in this regard the first Additional Provision of the consolidated text of the Law on the Regulation of Pension Plans and Funds in the wording given by Law 27/2011, of August 1 (BOE of August 2).

• Contributions made to cover contingencies similar to those of pension plans

In accordance with the provisions of article 14.2 of the LIS , business contributions made to cover contingencies similar to those of pension plans will be deductible, provided they meet the following requirements:

- Charged for tax purposes to the persons to whom the benefits are linked.
- That the payer irrevocably transfers the right to receive future benefits.
- That the payer transfers ownership and management of the resources that comprise said contributions.

Likewise, the contributions made by the promoting companies provided for in Directive (EU) 2016/2341 of the European Parliament and of the Council, of December 14, 2016, relating to the activities and the supervision of employment pension funds (FPE), provided that the requirements listed above are met and the contingencies covered are those provided for pension plans in their regulatory regulations.

Note: Please note that Directive (EU) 2016/2341 of the European Parliament and of the Council of 14 December 2016 repealed Directive 2003/41/EC referred to in Article 51 of the Law IRPFABBR, effective from 13 January 2019, establishing that References to the aforementioned Directive 2003/41/EC shall be understood as references to the aforementioned Directive (EU) 2016/2341.

Finally, in relation to contributions to social security systems established for the benefit of workers, it should be noted that, in accordance with the provisions of article 14.1 of the LIS, **expenses for provisions and internal funds** for the coverage of contingencies identical or similar to those that are the subject of the Revised Text of the Law Regulating Pension Plans and Funds, approved by Royal Legislative Decree 1/2002, of November 29, will not be deductible. These expenses will be tax deductible in the tax period in which the benefits are paid.

f. Other personnel expenses

This heading may include staff training expenses, both regular and sporadic, premiums for life, accident, illness insurance contracts, etc., except for Social Security contributions and any other expenses related to the staff in the service of the activity that cannot be considered as pure generosity.

Expenses incurred in accordance with customs and practices with respect to company personnel (gifts, Christmas baskets, etc.) are not considered pure generosity and may therefore constitute deductible expenses.

4. Expenses of the owner of the activity

The following concepts, which appear differentiated in the declaration, are included within this category. IRPFABBR:

a. Social security or contributions to alternative mutual funds of the activity holder

Are included:

1. The contributions of the activity holder to the Special Regime for Self-Employed Workers (RETA) or,

Important : regularization of the RETA fees paid in the previous year.

Please note that Royal Decree-Law 13/2022, of July 26, which establishes a new contribution system for self-employed workers and improves protection for cessation of activity (BOE of July 27), modified article 308 of the consolidated text of the General Social Security Law, approved by Royal Legislative Decree 8/2015, of October 30 (BOE of October 31).

Royal Decree-Law 13/2022, of July 26, which establishes a new contribution system for self-employed workers or freelancers and improves protection for cessation of activity (BOE of July 27), *modified* article 308 of the consolidated text of the General Social Security Law, approved by Royal Legislative Decree 8/2015, of October 30 (BOE of October 31).

As a result of this modification, **as of January 1, 2023**, all self-employed or freelance workers included in this special regime **will contribute based on the annual income obtained in the development** of their economic, business or professional activities, having to choose the monthly contribution base that corresponds to their forecast of annual net income, within the general table established in the respective General State Budget Law and limited by a minimum contribution base in each of its sections and by a maximum base in each section for each year, although with the possibility, when they foresee that their income will be lower than the interprofessional minimum wage on an annual basis, to choose a contribution base within a reduced table.

The chosen bases will be provisional until they are regularised based on the annual income obtained and reported by the tax authorities from the following year for each self-employed worker.

Based on the above, the amounts calculated in the previous year will be considered as legally due amounts, although provisional, which is why it will not be appropriate to submit a correction of the self-assessment or a supplementary declaration regarding the declaration made in said year.

If, as a consequence of the regularization of the quotas of RETA carried out in the following year, based on the actual returns obtained, would result in a **additional amount** to be paid or returned as installments of RETA This amount will have the following tax treatment in the IRPFABBR:

- If an additional amount results **to satisfy** by the taxpayer in the following fiscal year, said additional payment shall be treated as **higher deductible expense** through Social Security contributions **in that next exercise**, whose amount will be entered in the box [0196].
- If, on the contrary, the result were an amount **to return** the taxpayer will be treated as **lower deductible expense** for contributions paid to Social Security **in that next exercise** in the box [0197] and if the amount exceeds the amount of the contributions paid to Social Security, **The excess should be reflected as higher performance in that exercise** in the box [0178], related to "Other income".

Exception to the new contribution system:

From 1 January 2025, this contribution system based on the income from economic, business or professional activity will no longer apply to **cooperative members** that are included in the RETA and have an inter-cooperative system of social benefits, complementary to the public system. These partners:

- **They will choose their monthly contribution base** in an amount equal to or greater than the minimum base of section 1 of the general table referred to in rule 2 of article 308.1.a) of the consolidated text of the General Social Security Law, and the provisions of article 308.1.b) also apply to them).
- As a result, the monthly contribution bases chosen by them **will not be subject to regularization** provided for in its article 308.1.c), as it does not quote based on earnings.

See for these purposes the Fourth Additional Provision of Royal Decree-Law 13/2022, of July 26.

Particular case: deductibility of the fee in the case of a taxpayer who obtains income from work (for example, as a company manager) and income from an economic activity

In accordance with section 3 of the General Regulation on the registration of companies and affiliation, additions, deregistrations and changes in data of workers in Social Security, approved by Royal Decree 84/1996, of January 26. "When self-employed workers simultaneously carry out two or more activities that give rise to inclusion in this special regime, **their registration in it will be unique**, and they must declare all their activities in the registration application or, if multiple activities occur after it, through the corresponding variation of data (...)".

With this configuration of the contributions to the special Social Security scheme for Self-Employed Workers (RETA) - which establishes the obligation to declare multiple activities in this scheme - to determine the impact of the expenditure corresponding to these contributions on the IRPFABBR It should be noted that the taxpayer's deductions correspond to registration in this regime while carrying out more than one activity, therefore their deductibility in the IRPFABBR The taxpayer can make this determination either in the determination of the net

income from work (for their remuneration as a company director) or in the determination of the net income from economic activity, since in each of these cases they have an obligation to contribute to the RETA, **for that allows the taxpayer to decide where to incorporate that single fee.**

Note: The cessation of activity benefit for self-employed workers, regulated in articles 36.2 and 3 of Royal Decree-Law 4/2024, who have been forced to cease their activity as a direct consequence of the **volcanic eruption recorded in the Cumbre Vieja area**, whether they have been affected by a temporary suspension of all activity, due to the damage caused by volcanic eruptions, provided they meet the required conditions, as well as the exemption from the obligation to contribute in favor of self-employed workers who have received it (sections One and Two of article 79 of Royal Decree-Law 1/2025, of January 28, which approves urgent measures in economic matters, transport, Social Security, and to deal with situations of vulnerability (BOE January 29).

*Likewise, self-employed workers who were receiving on January 31, 2025, the benefit for cessation of activity provided for in Article 24 of Royal Decree-Law 6/2024, of November 5, as a direct and immediate consequence of the events described in Article 1 of the aforementioned Royal Decree-Law due to the **DANA** They will be entitled to a new extraordinary benefit under the same terms and conditions, for the period from February 1 to December 31, 2025, provided that the circumstances established in Article 10 of Royal Decree-Law 12/2025, of October 28, which adopts urgent measures for reactivation, reinforcement and prevention within the framework of the Plan for immediate response, reconstruction and relaunch against the damage caused by the Isolated Depression at High Levels (DANA) in different municipalities between October 28 and November 4, 2024, are met.*

However, in both cases, this determines its lack of impact on the IRPFABBR, as it does not correspond to any of the income-generating scenarios established in Article 6 of the Law of IRPFABBR Therefore, it does not have the nature of full income nor, correspondingly, that of a deductible expense for the determination of income.

2. Where applicable, contributions made by the owner of the activity to Social Security Mutual Societies when they act as alternatives to the aforementioned special Social Security regime.

Specialties in the Personal Income Tax of contributions to Mutual Insurance Societies Social of the entrepreneur or professional himself

Regulations (Art. 30.2.1 Law IRPFABBR)

As a general rule, contributions to social security mutual funds of the entrepreneur or professional do not constitute a deductible expense for determining the net income of the activity, given that they may reduce the taxpayer's tax base in accordance with

the requirements and limits established for this purpose.

See Chapter 13 for [reductions for contributions and contributions to social security systems](#).

However, amounts paid under insurance contracts entered into with mutual insurance companies by professionals not included in the special Social Security regime for self-employed workers or freelancers are considered deductible expenses of the activity when, for the purposes of complying with the obligation provided for in the Fifteenth Additional Provision of Law 30/1995, of November 8, on the Regulation and Supervision of Private Insurance, they act as alternatives to the special Social Security regime, in the part that aims to cover contingencies attended to by said special regime, with the limit of the maximum quota for common contingencies that is established in each financial year.

The fifteenth Additional Provision of Law 30/1995 has been repealed by Royal Legislative Decree 8/2015, of October 30, which approves the consolidated text of the General Law on Social Security, and integrated into the eighteenth Additional Provision of said consolidated text. Therefore, the reference made to the repealed provision shall be understood as being made to the corresponding provision of the consolidated text.

Furthermore, it must be taken into account, for the purposes of the limit of the maximum contribution for common contingencies established in each financial year, that, for 2025, Articles 2 and 4 of the Order PJC/178/2025, of February 25, which develops the legal rules for contributions to Social Security, unemployment, protection for cessation of activity, Wage Guarantee Fund and professional training for the year 2025 (BOE of February 26), establish a maximum contribution base of 4,909.50 euros per month and set a maximum contribution rate for common contingencies of 28.30 percent. Therefore, the maximum contribution for common contingencies in 2025 is 16,672.66 euros $[0.283 \times (4,909.50 \times 12)]$.

When contributions exceed this limit, the excess may be subject to a reduction in the taxable base of IRPFABBR. However, only in the part that has the purpose of covering the same contingencies as pension plans and with the limits and requirements indicated in Chapter 13 in the section corresponding to "Reductions for contributions to social security systems".

b. Maintenance expenses of the taxpayer himself incurred in the development of the economic activity

Regulations: Art. 30.2.5.c) Law IRPFABBR

Taxpayers may deduct maintenance expenses that meet the following requirements for determining the net income from economic activity in direct estimation:

- That they are expenses of the taxpayer himself.
- That are carried out in the development of economic activity. That is, they are specific to the activity.

For these purposes, it should be noted that the fact that maintenance expenses correspond to a working day - regardless of the fact that in business or professional activities it cannot be generally spoken of as the existence of a work calendar - does not in itself imply that said expenses are considered to be expenses incurred in the development of an economic activity.

- That they occur in catering and hospitality establishments.
- That they are paid using any electronic means of payment.
- That they do not exceed the quantitative limits established by regulation in article 9.A.3.a) of the Regulation of IRPFABBR for the per diem allowances and allowances for normal living expenses of the workers.

The referral that the Law of IRPFABBR It applies to the subsistence expenses of business owners or professionals to the regulatory provisions established for allowances and reimbursements for normal subsistence expenses of workers contained in Article 9 of the Regulation of IRPFABBR It is limited to the quantitative limits established for said maintenance expenses, and consequently, the reference does not include expenses other than maintenance, such as accommodation expenses, nor other aspects regulated in article 9 regarding maintenance expenses other than their quantitative limits, given their different nature.

In this sense, while allowances constitute allocations made by the employer to the employee who, by virtue of the organizational power available to the employer, must travel outside his or her workplace to carry out his or her work; the deductible expenses for the maintenance of the business owner or professional referred to in article 30.2.5 of the Law of IRPFABBR These are expenses incurred by the entrepreneur or professional in the course of their economic activity.

These limits are:

Information	Spain	Foreign
Spending the night in a different municipality (*)	53.34 euros/day	91.35 euros/day
Without spending the night in a different municipality	26.67 euros/day	48.08 euros/day
(*) It must be a municipality other than the taxpayer's usual place of work and the one that constitutes his residence.. (Back)		

Any excess over these amounts may not be deducted.

Note: The taxpayer must retain, for the maximum limitation period, providing when requested for this purpose, the supporting documents for the expenses to verify compliance with the requirements demanded by the law.

5. External services

Within this category, the following concepts can be included, which appear clearly differentiated in the declaration of IRPFABBR.

a. Rents and charges

In general

This heading includes expenses arising from rent, fees, technical assistance, etc., for the transfer to the taxpayer of assets or rights that are related to the activity, when ownership of the same is not acquired.

The concept of “**royalties**” will include the fixed or variable amounts paid for the right to use or the concession of use of the different manifestations of industrial property.

For the concept of “**lease**” , the amounts paid for the rental or operating lease or for the transfer of movable and immovable property for the use or disposal of the company.

Special cases

Without prejudice to the above, the specialities discussed in the following sections must be taken into account for the purposes of determining the deductible amounts for this concept.

1. Leasing contracts

Regulations: Art. 106 LIS

A specific tax regime is established for financial leasing contracts in which the following requirements are met:

- That the lessor is a credit institution or a financial credit institution.
- They must have a minimum duration of 2 years when they are aimed at movable property and 10 years when they are aimed at real estate or industrial establishments.

However, in order to avoid abusive practices, other minimum duration periods may be established by regulation depending on the characteristics of the different assets that may constitute their object.

- That the financial leasing fees appear expressed in the respective contracts, differentiating the part that corresponds to the recovery of the cost of the asset by the leasing entity, excluding the value of the purchase option and the financial burden required by it, all without prejudice to the application of the corresponding indirect tax.
- That the annual amount of the part of the financial leasing installments corresponding to the recovery of the cost of the asset must remain the same or increase over the contractual period.

Concept of financial leasing contracts: With effect from 28 June 2014, Law 10/2014, of 26 June, on the regulation, supervision and solvency of credit institutions (BOE of 27 June) defines in its Third Additional Provision the concept of financial leasing operations as "those contracts whose exclusive purpose is the transfer of the use of movable or immovable property, acquired for that purpose according to the specifications of the future user, in exchange for consideration consisting of the periodic payment of installments. The assets to be transferred must be assigned by the user only to his/her agricultural, fishing, industrial, commercial, artisanal, service or professional operations. The financial leasing contract will necessarily include a purchase option, at its end, in favor of the user."

Once these requirements are met, your **tax deductibility regime** is as follows:

- a. The entire portion of the installments corresponding to the financial burden paid to the leasing entity is considered a tax-deductible expense.
- b. The portion of the financial leasing fees paid to the lessor that corresponds to the recovery of the cost of the asset is considered a deductible expense with the following two limitations:
 1. The deductible amount may not exceed the result of applying twice the maximum linear amortization coefficient according to the officially approved amortization tables to the cost of the asset.

In the case of taxpayers (businessmen or professionals) who are considered as [small company](#) for tax purposes, the linear amortization coefficient according to the tables will be multiplied by three for these purposes.

The table of amortization coefficients applicable in the normal form of the direct estimation method is contained in article 12.1.a) LIS. In the simplified form of the aforementioned regime, the applicable amortization table is contained in the Order of March 27, 1998 (BOE of March 28).

For the calculation of the aforementioned limit, the moment in which the asset is put into operating condition will be taken into account. Any excess amounts that are not deductible as a result of this limitation may be deducted in subsequent tax periods, with the same double or triple limit of the amortization coefficient indicated above.

2. In the event that the object of the contract is land, plots of land and other non-depreciable assets, this portion of the fee does not constitute a deductible expense. In the event that such condition is met only in part of the asset subject to the transaction, only the proportion corresponding to the elements susceptible to amortization may be deducted, which must be expressed separately in the respective contract.

Note: *In the event that the contract does not meet the requirements set forth in article 106 of the LIS, the financial burden paid will be considered a tax-deductible expense, as well as an amount equivalent to the amortization installments that, in accordance with the amortization systems established in article 12.1 of the LIS, would correspond to the asset that is the object of the contract.*

Example:

Mr. STV carries out the activity of manufacturing footwear and determines the net income of said activity by the direct estimation method, normal mode.

On June 30, 2025, a new delivery van is acquired under a financial lease ("leasing") agreement under the following conditions:

- Contract period: 2 years.
- Annual fees: 8,000 euros, of which 600 euros represent the financial burden and the remainder corresponds to the recovery of the cost of the asset.
- Purchase option: 1,200 euros at the end of the second year.
- Item cost: 16,000 euros.

Determine the amounts that STV don You will be able to deduct in the year the amounts paid under the financial lease agreement, knowing that the linear depreciation coefficient according to the van's tables is 16 percent, that the van was made available and entered into operation on July 1, 2025, and that the economic activity of which you are the owner is considered a small business in the year 2025.

Solution:

Since the economic activity developed qualifies for tax purposes as a small business in the 2025 fiscal year, the owner may deduct the following tax-deductible expenses from their gross income:

Financial burden $(600/12 \text{ months}) \times 6 \text{ months} = 300$

Recovery of the cost of the asset (deductible amount paid) $[(8,000 / 12 \text{ months}) \times 6 \text{ months}] - 300 = 3,700$

Total deductible expenses $(300 + 3,700) = 4,000$

Note: The amount paid corresponding to the recovery of the cost of the asset is considered in its entirety as a deductible expense, as it does not exceed the legally established limits. The determination of this limit is carried out as follows:

Maximum applicable linear coefficient according to tables: 16%

Maximum applicable linear coefficient in 2025: $(16 \times 3) = 48\%$

Maximum tax amortization amount: $(48\% \text{ s/}16,000) \times 6/12 = 3,840$

2. Specialties in the Personal Income Tax on transfers to economic activity of assets and rights belonging exclusively to members of the family unit

Regulations: Art. 30.2.3 LawIRPFABBR

When the taxpayer's spouse or minor children who live with him/her transfer assets or rights that serve the purpose of the economic activity in question, the holder of said activity may deduct, to determine the income from said activity, the consideration stipulated for said transfer, provided that it does not exceed the market value and, in the absence of the former, the latter may be deducted.

Correlatively, the stipulated consideration, or the market value, will be considered capital income of the spouse or minor children for all tax purposes.

Note: Unlike the above, the use of assets common to both spouses by the spouse who carries out an economic activity is not considered a transfer for tax purposes and does not generate any remuneration between them. Therefore, even if compensation had been stipulated, it will not be deductible.

b. Repairs and upkeep

The following are considered to be expenses for the conservation and repair of the affected tangible asset:

- Those carried out regularly for the purpose of maintaining the normal use of material goods.
- Those for the replacement of elements that are not susceptible to amortization and whose disuse is a consequence of the normal functioning or use of the assets in which they are integrated.
- Those of adaptation or readaptation of tangible elements of fixed assets, when they do not entail an increase in their value or productive capacity.

Expenses that involve the expansion or improvement of tangible assets and are therefore amortizable will not be considered maintenance or repair costs.

See in this regard the Resolution of March 1, 2013, of the Institute of Accounting and Auditing of Accounts, which dictates rules for the registration and valuation of tangible fixed assets and real estate investments (BOE of March 8).

c. Supplies

Regulations: Art. 30.2.5b) Law IRPFABBR

This concept must include the amount of expenses corresponding to electricity and any other supplies (water, gas, telephone, internet, etc.) that cannot be stored.

Note: Expenses arising from the use of a mobile telephone line will be deductible to the extent that this line is used **exclusively** for the development of the economic activity. These expenses include the purchase of the mobile phone itself, although this deduction must be made through amortization, applying the corresponding amortization coefficient to its purchase value.

Notwithstanding the foregoing, the following special rule must be taken into account for the purpose of determining the amounts deductible under this concept: IRPFABBR which is discussed below.

Personal income tax on utility costs for the taxpayer's habitual residence that is partially affected by the development of economic activity

Regulations: Art. 30.2.5.b) Law IRPFABBR

From 1 January 2018, when the taxpayer partially uses his or her habitual residence for the development of his or her economic activity, the costs of supplies for said residence, such as water, gas, electricity, telephone and Internet, will be deductible in the percentage resulting from applying 30% to the proportion between the square metres of the residence used for the activity and its total surface area, unless a higher or lower percentage is proven.

Observation: Prior to the amendment made by Article 11 of Law 6/2017, of 24 October, on Urgent Reforms of Self-Employment (BOE of 25 October), only expenses arising from the ownership of the home, such as amortisation, IBI, community of owners, etc., were considered fully deductible in these cases, in proportion to the part of the home used for the development of the activity and its percentage of ownership in the property, unless the taxpayer was a tenant of the home, in which case he could deduct the expense corresponding to the income paid for the rental of the home in proportion to the part exclusively used for the economic activity in relation to the entirety of the home. On the contrary, it was required that the expenses derived from supplies (water, electricity, heating, telephone, Internet connection, etc.) be used exclusively for the exercise of the activity, and the same apportionment rule that was applied to expenses derived from the ownership or rental of the home could not be used in relation to these.

Example:

Mr. JCP uses a 40 m² room in his habitual residence to practice law.

Determine the deductible amount of the utility costs corresponding to the part of the home used for professional activity, taking into account that the taxpayer's habitual residence has 100 m² and the annual utility costs amount to 5,000 euros.

Solution:

Proportion of the m² of the usual residence used for the activity in relation to its total surface area: $40 \text{ m}^2 / 100 \text{ m}^2 = 40\%$

Deduction percentage ($30\% \times 40\%$) = 12%

Deductible expenses (12% of 5,000 euros) = 600 euros

d. Independent professional services

This concept includes the amount paid to professionals for services provided to economic activity. It includes fees for economists, lawyers, auditors, notaries, etc., as well as fees for independent brokers.

e. Insurance premiums

This concept should include amounts paid in the form of insurance premiums, except those relating to company personnel.

Furthermore, for the purposes of determining the deductible amounts, the following special rule must be taken into account: IRPFABBR for expenses related to health insurance premiums, which we discuss below.

Specializations in the IRPFABBR of the taxpayer's and his family's health insurance premium expenses

Regulations: Art. 30.2.5.a) Law IRPFABBR

In accordance with article 30.2.5.a) of the Personal Income Tax Law, health insurance premiums paid by the taxpayer in the part corresponding to his own coverage and that of his spouse and children under twenty-five years of age who live with him are considered deductible expenses for determining net income in direct estimation.

In the case of children with disabilities, there is no exception to age, so it is necessary that they live with the taxpayer and are under 25 years of age.

The maximum deduction limit will be:

- 500 euros for each of the persons mentioned above
- 1,500 euros for each disabled person

f. Other external services

This concept includes other services of a diverse nature acquired for economic activity that are not part of the acquisition price of the fixed assets.

Among these services, the following can be mentioned, among others:

- Research and development expenses.
- Transportation.
- Banking and similar services.
- Advertising, propaganda and public relations.

Note: Expenses for customer or supplier services will be deductible up to a limit of 1% of the net turnover for the tax period.

6. Tax deductible taxes

The following concepts, which appear differentiated in the declaration, are included within this category. IRPFABBR

a. IVAABBR supported

It will not be included within the deductible expenses of the economic activity carried out, IVAABBR supported in said operations, whose fees are deductible in the self-assessments of this tax.

On the contrary, it must be included within the deductible expenses of the economic activity carried out, IVAABBR including, where applicable, the equivalence surcharge, borne in said operations, whose fees are not deductible in the self-assessments of the taxpayer himself IVAABBR of this tax. Among other assumptions, this circumstance will occur when the

economic activity carried out is subject to the following special regimes of IVAABBR:

- Special Regime of the Equivalence Surcharge.

The special equivalence surcharge regime is regulated in Chapter VII of Title IX of Law 37/1992, articles 148 to 163.

Taxable persons subject to this special regime are not obliged to carry out the settlement or payment of the VAT accrued corresponding to their sales. Said payment is made through the “equivalence surcharge” that must be passed on to their suppliers, along with the ordinary VAT fee.

Therefore, it is the suppliers who pass on to the retailer the equivalence surcharge on the invoice, the corresponding VAT plus the equivalence surcharge and pay it in.

Nor can they deduct the quotas incurred for the acquisition or import of goods of any kind or for services provided to them, to the extent that said goods or services are used in carrying out the activities affected by this special regime.

Therefore, the input VAT and the equivalence surcharge will be deductible expenses.

- Special regime for agriculture, livestock and fisheries.

Taxable persons covered by the special regime are not obliged to liquidate, charge and pay VAT, therefore they cannot deduct the fees incurred for the acquisition and import of goods and services used in carrying out the activities to which it is applicable. application of this regime.

For his part, the IVAABBR The input tax corresponding to the acquisition of fixed assets used in the business activity that is not deductible for the latter tax must be included as an increased acquisition value of said assets, and therefore its treatment as an expense in the IRPFABBR will be carried out **through the corresponding amortizations**.

b. Other tax-deductible taxes

This concept includes non-state taxes and surcharges, parafiscal levies, rates, surcharges and special state contributions that cannot be legally passed on, provided that they affect the computed income, are not of a penal nature and correspond to the same fiscal year as the income. Examples of non-state taxes are the Tax on Economic Activities (IAE) and the Tax on Real Estate (IBI) corresponding to the economic activity carried out.

Criminal and administrative sanctions, surcharges for the executive period and the surcharge for late declaration without prior request are not considered deductible expenses.

7. Financial expenses

Delimitation of deductible or non-deductible financial expenses:

This includes all expenses arising from the use of external financial resources to finance the company's activities or its assets. Among others, the following are considered as such:

- Expenses for discounting effects and financing of the company's operating credits.
- Surcharges for deferral of payment of debts corresponding to the activity.
- Interest corresponding to deferrals and fractioning of tax debts, provided that they are directly related to the activity and correspond to the fiscal year.
- Tax late payment interest arising from settlements made in verification procedures and those accrued due to the suspension of the execution of the contested administrative act (suspension interest).

Supreme Court Judgment No. 1091/2023, of June 24 (Contentious Chamber), issued in cassation appeal No. 515/2022 (ROJ : STS 3511/2023) has established as an interpretative criterion that the deductibility of tax late payment interest in the ES, it can be extrapolated to IRPFABBR, in the event that the taxpayer carries out an economic activity.

On the contrary, **are not considered deductible financial expenses** :

- Those that entail a higher cost of acquiring heritage items.
- Those arising from the use of own capital.

Limitation on the deductibility of net financial expenses

The limit on the deductibility of net financial expenses will be the **greatest** of the following amounts:

a. 30 percent of the operating profit for the year.

Operating profit will be determined from the operating result of the profit and loss account for the year determined in accordance with the Commercial Code and other accounting regulations, eliminating the amortization of fixed assets, the allocation of subsidies for non-financial fixed assets and others, the impairment and the result from the sale of fixed assets, concepts that are included in the profit and loss account model. This result is added to the financial income from participations in equity instruments, provided that they correspond to dividends or participations in profits of entities in which either the percentage of participation, direct or indirect, is at least 5 percent, except when said participations have been acquired with debts whose financial expenses are not deductible. See in this regard article 16 of the LIS .

b. 1 million euros when the previous limit exceeds one million euros

Up to this amount, that is, up to 1 million euros, net financial expenses will, in any case, be deductible.

However, when the duration of the activity is less than a year, the deductible amount will in any case be the result of multiplying one million euros by the proportion between the duration of the activity in the tax period and the year.

See the Resolution of July 16, 2012, of the General Directorate of Taxes, in relation to the limitation on the deductibility of financial expenses in the Corporate Tax (BOE of July 17).

8. Losses due to impairment of credits derived from possible insolvencies of debtors

Concept of impairment losses

Impairment is the accounting expression of the estimated loss in value of an asset, other than, in the case of amortizable items, its systematic depreciation due to operation, use, obsolescence or enjoyment (that is, amortization expense).

From an accounting perspective, an asset is considered impaired when its book value is higher than its recoverable amount, a circumstance that requires recognizing an impairment loss in the profit and loss account and the corresponding valuation correction.

See the Resolution of September 18, 2013, of the Institute of Accounting and Auditing of Accounts, which dictates the rules of registration and valuation and information to be included in the annual accounts report on the impairment of the value of assets (BOE of September 25).

Now, for tax purposes, the **general rule is the non-deductibility of impairment losses with one exception**: losses due to impairment of credits arising from possible insolvencies of debtors.

However, please note that Article 13 of the LIS does not address any impairment of inventories, so the accounting criteria are assumed and they would be deductible.

Losses due to impairment of credits derived from possible insolvencies of debtors

Regulations: Articles 13.1 LIS

Losses due to impairment of receivables arising from potential debtor insolvencies will be deductible in 2025 when, at the time of accrual of the IRPFABBR (normally, December 31st) if any of the following circumstances occur:

- a. That the period of six months has elapsed since the expiration of the obligation.
- b. That the debtor is declared to be in bankruptcy proceedings.
- c. That the debtor is being tried for asset stripping.
- d. That the obligations have been claimed judicially or are the subject of a judicial dispute or arbitration procedure on the resolution of which their collection depends.

The following losses due to impairment of credits will not be deductible:

1. Those corresponding to credits owed by public law entities, except when they are the subject of an arbitration or judicial procedure that deals with their existence or amount.
2. Those corresponding to credits owed by related persons or entities, unless they are in a situation of bankruptcy and the liquidation phase has been opened by the judge, in the terms established in Law 22/2003, of July 9, Bankruptcy and, since September 1, 2020, in

Royal Legislative Decree 1/2020, of May 5, which approves the revised text of the Bankruptcy Law.

3. Those corresponding to global estimates of the risk of insolvency of clients and debtors.

Note: see in this regard the Resolution of September 18, 2013, of the Institute of Accounting and Auditing of Accounts, which dictates the rules of registration and valuation and information to be included in the annual accounts report on the impairment of the value of assets (BOE of September 25).

Note: The owners of small companies may also deduct the loss due to impairment of credits for possible insolvency of debtors up to the limit of 1% of the debtors existing at the end of the tax period, except for those for which the loss due to insolvency has been individually recognised and those for which the impairment losses are not deductible. The determination of the deductible amount corresponding to these [impairment losses for owners of small businesses](#) is discussed in this same Chapter.

Transitional regime for the reversal of the impairment of certain assets

Regulations: Fifteenth transitional provision LIS

The reversal of impairment losses on tangible fixed assets and real estate investments, intangible fixed assets that were tax deductible in tax periods beginning before January 1, 2015, will be included as income in the tax period in which their value is recovered in the accounting field.

In the case of intangible assets with an indefinite useful life, the aforementioned reversal will be integrated with the limit of the tax value that the intangible asset would have, taking into account that article 13.3 of the LIS , in force until December 31, 2015, established that the deducted amounts would reduce, for tax purposes, the value of the corresponding intangible asset.

Note: Until December 31, 2015, intangible assets with an indefinite useful life, including goodwill, were not amortized for accounting purposes, but their impairment was taken into account, allowing their acquisition price to be deducted for tax purposes up to a maximum annual limit of one-twentieth of their value. This deduction, which corrected its tax value, was not subject to its accounting entry in the profit and loss account.

9. Tax incentives for patronage: collaboration agreements in activities of general interest

Regulations: Art. 25 Law 49/2002, of December 23, on the tax regime of non-profit entities and tax incentives for patronage

A business collaboration agreement in activities of general interest is one by which the [entities benefiting from](#) patronage, in exchange for financial assistance for carrying out the activities they carry out in compliance with the specific object or purpose of the entity, undertake in

writing to disseminate, by any means, the participation of the collaborator in said activities.

Effective January 1, 2024, financial assistance may be monetary, in kind, or consist of services provided in the exercise of the employee's own economic activity.

The aforementioned dissemination of the collaborator's participation within the framework of the aforementioned agreements does not constitute a provision of services.

The amounts paid or expenses incurred are considered deductible expenses to determine the net income of the economic activity of taxpayers who use the direct estimation method in any of its two modalities, normal or simplified.

Any positive income that may be revealed in connection with the aforementioned financial aid will be exempt from taxes levied on the collaborator's income.

The tax regime applicable to the amounts paid in compliance with the aforementioned collaboration agreements will be incompatible with the other tax incentives provided for in Law 49/2002, of December 23, on the tax regime for non-profit entities and tax incentives for patronage.

The [tax regime](#) established in Law 49/2002 for donations made to entities benefiting from patronage is discussed in Chapter 16.

10. Tax incentives for patronage: expenses on activities of general interest

Regulations: Art. 26 Law 49/2002, of December 23, on the tax regime of non-profit entities and tax incentives for patronage

For the purposes of determining the net income from the economic activity carried out by taxpayers using the direct estimation method, in either of its two modalities, normal or simplified, the expenses incurred for the purposes of general interest referred to in article 3.1 of the aforementioned Law 49/2002 are deductible.

According to this article, the following are considered as such, among others, those of defense of human rights, of victims of terrorism and violent acts, social assistance and social inclusion, civic, educational, cultural, scientific, sports, health, labor, institutional strengthening, cooperation for development, promotion of volunteering, promotion of social action, defense of the environment, promotion and care for people at risk of exclusion for physical, economic and cultural reasons, promotion of constitutional values and defense of democratic principles, promotion of tolerance, promotion of the social economy, development of the information society, or scientific research, development or technological innovation and its transfer to the productive fabric as a driving element of business productivity and competitiveness.

The deduction of expenses in activities of general interest referred to in this section shall be incompatible with the other tax incentives provided for in Law 49/2002, of December 23, on the tax regime for non-profit entities and tax incentives for patronage.

11. Other tax deductible expenses (except provisions)

Other expenses that are tax-deductible but are not expressly included in the previous sections may be included within this concept.

Provided there is an adequate correlation with the income from the activity, the following expenses, among others, can be cited as examples:

- Acquisition of books, subscription to professional journals and acquisition of non-amortizable instruments, provided they are directly related to the activity.
- Expenses for attending courses, conferences, congresses, etc., related to the activity.
- Certain fees paid by the entrepreneur or professional to legally constituted corporations, chambers and business associations.

12. Provisions

It is necessary to differentiate between the two methods (standard and simplified) of the direct estimation method, since the latter (the simplified method) has a specific treatment for these expenses. IRPFABBR.

Normal mode

Regulations: Art. 14 of the LIS

The following expenses will be deductible under the concept of provisions:

- Those corresponding to environmental actions when they correspond to a plan formulated by the taxpayer and accepted by the tax authority.
- Expenses inherent to the risks derived from repair and overhaul guarantees will be deductible up to the amount necessary to determine a provision balance not exceeding the result of applying to sales with guarantees in force at the end of the tax period the percentage determined by the proportion in which the expenses incurred to meet the guarantees in the tax period and in the two previous ones were found in relation to the sales with guarantees made in said tax periods.

This same rule will apply to provisions for covering incidental expenses due to sales returns.

Newly created entities may also deduct the provisions mentioned above for risks arising from repair and overhaul guarantees, by setting the percentage referred to therein, with respect to expenses and sales made in the tax periods that have elapsed.

The following expenses will not be deductible under the concept of provisions:

- Expenses for provisions and internal funds for the coverage of contingencies identical or similar to those that are the subject of the consolidated text of the Law on the Regulation of Pension Plans and Funds, approved by Royal Legislative Decree 1/2002, of November 29

(Art. 14.1 LIS).

These expenses will be tax deductible in the tax period in which the benefits are paid.

- Expenses relating to long-term staff remuneration through defined contribution or defined benefit systems (Art. 14.2 LIS).

However, contributions from promoters of pension plans regulated in the consolidated text of the Law on the Regulation of Pension Plans and Funds, as well as those made to corporate social security plans, will be deductible. Contributions to cover contingencies similar to those of pension plans will also be deductible.

See the comment on these contributions in this same Chapter under " [Personnel expenses](#) ".

- The following expenses associated with provisions:
 - a. Those derived from implicit or tacit obligations.
 - b. Those concerning the costs of fulfilling contracts that exceed the economic benefits expected to be received from them.
 - c. Derivatives of restructuring, except if they refer to legal or contractual obligations and not merely tacit ones.
 - d. Those relating to the risk of sales returns.
 - e. Those of personnel that correspond to payments based on equity instruments, used as a formula for employee remuneration, and are paid in cash.

Note: Expenses that, in accordance with the two preceding sections, have not been tax deductible will be included in the tax base of the tax period in which the provision is applied or the expense is allocated to its purpose.

Simplified mode

Regulations: Art. 30.2 RegulationsIRPFABBR

For the 2025 tax year, the **set of deductible provisions and expenses that are difficult to justify** They will be quantified exclusively by applying the percentage of **5 percent on the positive net return** In general (the positive difference between gross income and other tax-deductible expenses including amortization), excluding this concept, without the resulting amount exceeding 2,000 euros per year.

The 5% rate is applied on a per-activity basis, but the maximum amount that the taxpayer can deduct from all of his or her activities under this concept cannot exceed 2,000 euros.

In the case of joint taxation, the maximum limit of 2,000 euros applies to all members of the family unit who determine the net income by simplified direct estimation.

In case **activities carried out through entities under the income attribution regime** the deduction for deductible provisions and expenses that are difficult to justify will be applied individually by each taxpayer or partner, heir, commoner or participant on the net income from the economic activity that corresponds to them based on their percentage of participation in the entity, applying the limit of 2,000 euros on said amount. However, if the taxpayer carries out other economic activities under simplified direct estimation, the limit of 2,000 euros will be applied to the sum of the deductions corresponding to each of these activities, reducing the excess in proportion to the net income of each of them.

Note: *The 5 percent percentage for deductible provisions and expenses that are difficult to justify is incompatible with the application of the reduction for the exercise of certain economic activities contemplated in article 32.2.1 of the Law of IRPFABBR and 26.1 of the Regulations of the aforementioned tax, which are discussed below. Consequently, when the taxpayer chooses to apply the aforementioned reduction, the 5% percentage will not be applicable, and vice versa.*

Non-tax deductible expenses

Regulations: Articles 15 and 15 bis LIS

The following are not considered tax-deductible expenses:

- Those that represent a **return on equity**

The remuneration corresponding to securities representing the capital or equity of entities will be considered as equity remuneration, regardless of their accounting consideration.

Likewise, the remuneration of equity will be considered to be the corresponding **participating loans** granted by entities that form part of the same group of companies according to the criteria established in article 42 of the Commercial Code, regardless of residence and the obligation to prepare consolidated annual accounts.

- **Fines and criminal and administrative sanctions**, the **surcharges** of the executive period and the surcharge for late declaration without prior request.
- The **losses of the game**.
- The **donations and generosity**.

Expenses for customer or supplier services, expenses incurred in accordance with customs and practices with respect to company personnel, expenses incurred to promote, directly or indirectly, the sale of goods and services, and expenses related to income, are not considered such expenses and are therefore deductible.

Likewise, all those not expressly included among the above that respond to the same structure and are correlated with the business activity aimed at improving business results, directly or indirectly, present or future, will be considered deductible, provided that they are not intended for partners or shareholders. In

this sense, the doctrine established by the Supreme Court in its Judgment number 458/2021, of March 30, (FJ3) of the Second Section of the Administrative Litigation Chamber, issued in cassation appeal number 458/2021 (ROJ: STS 1233/2021).

However, expenses for customer or supplier services will be deductible up to a limit of 1% of the net turnover for the tax period.

- The costs of actions **contrary to the legal system** .
- Service expenses corresponding to operations carried out, directly or indirectly **with persons or entities resident in countries or territories classified by regulation as tax havens** , or that are paid through persons or entities resident in these, except that the taxpayer proves that the accrued expense responds to an operation or transaction actually carried out.
- The **financial expenses** accrued in the tax period, derived from debts with **entities of the group** according to the criteria established in article 42 of the Commercial Code, regardless of the residence and the obligation to prepare consolidated annual accounts, intended for the acquisition, from other entities of the group, of shares in the capital or equity of any type of entities, or for the realization of contributions in the capital or equity of other entities of the group, unless the taxpayer proves that there are valid economic reasons for carrying out said operations.
- The **expenses arising from the termination of the employment relationship, whether ordinary or special, or the commercial relationship** referred to in article 17.2.e) of the Law of IRPFABBR or both, even if they are satisfied in several tax periods, that exceed, for each recipient, the greater of the following amounts:
 1. 1,000,000 euros, or
 2. The amount established as mandatory in the Workers' Statute, in its implementing regulations or, where applicable, in the regulations governing the execution of judgments, without being considered as such the amount established by virtue of an agreement, pact or contract.

However, in cases of collective lay-offs carried out in accordance with the terms of Article 51 of the Workers' Statute, or arising out of the causes provided for in paragraph c) of Article 52 of the Statute, provided that, in both cases, they are due to economic, technical, organisational or production reasons or due to force majeure, it will be the amount established with an obligatory nature in the Statute for unlawful dismissal.

- The **contributions to mutual benefit societies social security contributions of the business owner or professional that entitle them to reduce the taxable base** of the taxpayer in accordance with the requirements and limits established for this purpose (Article 30.2.1 of the Law IRPFABBR).

See in this regard, in Chapter 13, the [reductions for contributions and contributions to social security systems](#) . See also, in relation to tax-deductible expenses, the [specialties of contributions to Social Security Mutual Funds of the businessman or professional](#) that are discussed in this Chapter.

Amortization: tax-deductible provisions for the year

Depreciation is one of the deductible expense items in determining the accounting result .

The amortization of tangible and intangible fixed assets and real estate investments that correspond to the **effective depreciation** suffered by the different elements due to operation, use, enjoyment or obsolescence are deductible.

The tax deductibility of amortizations, in accordance with the provisions of article 12 LIS and articles 3 to 7 of its Regulations, is subject to compliance with a series of requirements and general rules that are examined in the following sections:

General requirements

Accounting for provisions

For non-commercial entrepreneurs and professionals, this requirement will refer to the recording in their investment asset registry of the annual amortization quota corresponding to each of said assets.

Amortization effectiveness: Amortization systems

The annual amortization must reflect the actual depreciation of the item in the same period.

The following systems are distinguished:

1. By linear amortization coefficients

Regulations: Articles 12.1.a) LIS and 4 Regulation IS

It will be the result of applying the linear amortization coefficients established, as of January 1, 2015. the following amortization table:

Table of linear amortization coefficients [article 12.1.a) of the LIS]

Element type		Maximum linear coefficient	Maximum period
Civil engineering work	General civil engineering work	2 per 100	100 years
	Pavements	6 per 100	34 years
	Infrastructure and mining works	7 per 100	30 years
	Hydroelectric power stations	2 per 100	100 years

Element type		Maximum linear coefficient	Maximum period
Power plants	Nuclear power plants	3 per 100	60 years
	Coal plants	4 per 100	50 years
	Renewable power plants	7 per 100	30 years
	Other power plants	5 per 100	40 years
Buildings	Industrial buildings	3 per 100	68 years
	Land dedicated exclusively to waste dumps	4 per 100	50 years
	Stores and deposits (gases, liquids and solids)	7 per 100	30 years
	Commercial, administrative and services buildings and dwellings	2 per 100	100 years
Facilities	Substations. Transport and power distribution networks	5 per 100	40 years
	Cables	7 per 100	30 years
	Other facilities	10 percent	20 years
	Machinery	12 per 100	18 years
	Medical and similar equipment	15 percent	14 years
Transport features	Trains, carriages and traction equipment	8 per 100	25 years
	Ships, aircrafts	10 percent	20 years
	Internal transport elements	10 percent	20 years
	External transport elements	16 per 100	14 years
	Dumper trucks	20 per 100	10 years
Furniture and fittings	Furniture	10 percent	20 years
	Lingerie	25 percent	8 years

Element type		Maximum linear coefficient	Maximum period
	Glassware	50 percent	4 years
	Chattels and tools	25 percent	8 years
	Moulds, patterns and models	33 per 100	6 years
	Other household goods	15 percent	14 years
Electronic and computer equipment. Systems and programs	Electronic equipment	20 per 100	10 years
	Computer equipment	25 percent	8 years
	Systems and computer programs	33 per 100	6 years
	Movie and sound productions, videos and audiovisual series	33 per 100	6 years
	Other items	10 percent	20 years

Transitional scheme

Regulations: thirteenth transitional provision LIS

Assets for which, in tax periods beginning before 1 January 2015, a different depreciation coefficient was being applied to that which corresponded to them by application of the new depreciation table provided for in article 12.1 of the LIS, will be depreciated during the tax periods remaining until completing their new useful life, in accordance with the aforementioned table, on the net tax value of the asset existing at the beginning of the first tax period beginning on or after 1 January 2015.

Likewise, those taxpayers who were applying an amortization method other than that resulting from applying the linear amortization coefficients in tax periods beginning before January 1, 2015 and, in application of the amortization table provided for in this Law, were assigned a different amortization period, may choose to apply the linear amortization method in the period remaining until the end of their new useful life, on the taxable net value existing at the beginning of the first tax period beginning on or after January 1, 2015.

Finally, for acquisitions of new assets made between 1 January 2003 and 31 December 2004, the maximum linear amortization coefficients provided for in this Law shall apply, multiplied by 1.1.

2. Other amortization systems

Other amortization systems are:

- **According to constant percentage**

Regulations: Art. 5 Regulation IS

Depreciation is understood to be effective when it is the result of applying a constant percentage on the value pending amortization. This constant percentage will be determined by weighting the linear amortization coefficient obtained from the amortization period according to officially approved amortization tables, by the following coefficients:

- **1.5** , if the item has a depreciation period of less than 5 years.
- **2** , if the item has an amortization period equal to or greater than 5 years and less than 8 years.
- **2.5** , if the item has an amortization period equal to or greater than 8 years.

The constant percentage thus determined may not be less than 11%.

The amount pending amortization in the tax period in which the useful life ends will be amortized in said tax period.

Buildings, furniture and fixtures may not be depreciated using the constant percentage depreciation method.

This amortization system is regulated in article 5 of the Corporate Tax Regulations, approved by Royal Decree 634/2015, of July 10.

- **According to digit numbers**

Regulations: Art. 6 Regulation IS

Depreciation is understood to be effective when it is the result of applying the single-digit method.

The sum of the digits will be determined based on the amortization period, which may be any of those between the maximum period and the period deduced from the maximum linear amortization coefficient according to the officially approved amortization table.

Buildings, furniture and fixtures cannot be subject to depreciation using digit numbers.

This amortization system is regulated in article 6 of the Corporate Tax Regulations, approved by Royal Decree 634/2015, of July 10.

- **According to special plan**

Regulations: Art. 7 Regulation IS

It is calculated according to a scheme formulated by the taxpayer and accepted by the Tax Agency.

The characteristics, conditions and requirements are established in article 7 of the Corporate Tax Regulations, approved by Royal Decree 634/2015, of July 10.

- **For justification of amortization**

Depreciation is deemed effective when the taxpayer justifies its amount.

Amortization rules

A. Amortization base

The depreciation basis is the purchase price of the item, including any additional costs incurred until it is put into working order, or its production cost, excluding, where applicable, the residual value. In the event of the acquisition of assets and their subsequent allocation to the economic activity carried out, the amortization will be based on the acquisition value of the assets at the time of allocation.

B. Start of amortization calculation

Amortization will be carried out from the moment the item is put into operating condition if it belongs to tangible fixed assets or real estate investments, or from the moment it is in a condition to produce income if it belongs to intangible fixed assets.

For these purposes, take into account section 3.6.2 of the Resolution of March 1, 2013, of the Institute of Accounting and Auditing of Accounts, which dictates rules for the registration and valuation of tangible fixed assets and real estate investments (BOE of March 8), which establishes that "in general, it will be understood that the putting into operating conditions will occur at the time when the fixed asset assets, after passing the necessary assembly, installation and tests, are in a condition to participate normally in the production process for which they are intended."

C. Amortization of intangible assets

As of January 1, 2016, all intangible assets are considered assets with a defined useful life and are amortizable by applying the following criteria:

- In general, intangible assets will be amortized based on their useful life.
- However, when it cannot be estimated reliably, the amortization will be deductible up to the maximum annual limit of one twentieth of its amount (5 percent).

Likewise, the amortization of goodwill will be deductible up to a maximum annual limit of one twentieth of its amount (5 percent).

It should be noted, however, that Article 39 of the Commercial Code, as amended by the First Final Provision of Law 22/2015 of 20 July on Auditing of Accounts (BOE of 21 July), applicable to financial years beginning on or after 1 January 2016, provides that intangible assets are assets with a defined useful life and that when the useful life of these assets cannot be reliably estimated, they will be amortised within a period of 10 years, unless another legal or regulatory provision establishes a different period.

In the case of goodwill, the aforementioned article 39 of the Commercial Code states that it may only appear on the assets side of the balance sheet when it has been acquired for valuable consideration and it shall be presumed, unless proven otherwise, that the useful life of the goodwill is ten years.

As a consequence of the above, for intangible assets whose useful life cannot be reliably estimated and in the case of goodwill, the accounting amortization will be 10 percent while the tax amortization will be 5 percent, so in the eleventh to twentieth years there will be no accounting expense for amortization, but there will be tax

amortization.

Attention: *Please note that until 31 December 2015, the tax deductibility of intangible assets **with an indefinite useful life**, including goodwill, was not through amortisation but through value adjustments that were required to be made due to their possible "impairment". Therefore, when a reversal of a impairment or value correction that was tax deductible occurs, the amount corresponding to the reversal of the impairment or value correction must be included within the limit established by the fifteenth transitional provision of the LIS, the commentary on which is made in the section on "[Losses due to impairment of the value of assets](#)" of this Chapter.*

D. Heritage elements used

In the case of tangible fixed assets and real estate investments that are acquired used, that is, that are not put into working order for the first time, the calculation of depreciation in those cases in which depreciation by tables is used will be carried out in accordance with the following criteria:

- a. If the acquisition value of the used item is taken as the basis for depreciation, the maximum coefficient that can be used will be double the maximum linear depreciation coefficient set in the depreciation table.
- b. If the original acquisition price or production cost is taken as the amortization base, the maximum linear amortization coefficient set in the amortization tables for said element will be applied.
- c. If the original purchase price or production cost is not known, the taxpayer may determine it through expert analysis, and once established, the procedure will be followed as provided in the previous letter.

For these purposes, buildings less than ten years old will not be considered used heritage elements.

E. Excess amortization

The provision in a financial year of amortizations greater than those permitted by tax law does not constitute a deductible expense, without prejudice to the fact that the excess may be deductible in subsequent periods.

Note: *Article 7 of Law 16/2012, of December 27, which adopts various tax measures aimed at the consolidation of public finances and the promotion of economic activity (BOE of December 28) established, for taxpayers who did not meet the requirements to be considered small companies, a limitation on the deductibility of the accounting amortization of tangible and intangible fixed assets and real estate investments in the years 2013 and 2014 of up to 70 percent of the amount that would have been tax deductible by application of the general amortization systems or that provided for*

intangible fixed assets with a defined useful life. The accounting depreciation that was not tax deductible (30 percent) can be deducted from 2015 on a straight-line basis over a period of ten years or, optionally, over the useful life of the asset.

Precision: Repealing provision 2.z) of the LIS declares Article 7 of Law 16/2012 in force with regard to Corporate Tax.

Amortization freedom assumptions

Within the tax incentives established in relation to amortizations for taxpayers who determine the net income of their economic activity using the direct estimation method, normal or simplified modality, freedom of amortization is applicable in the following cases:

a) Freedom of amortization in new elements of fixed tangible assets. Transitional regime for amounts pending application as of March 31, 2012

Regulations: Thirtieth Additional Provision of the Law IRPFABBR and thirteenth transitional provision LIS

Scope

The transitional regime is applicable to taxpayers of IRPFABBR that as of March 31, 2012, had amounts pending application for the following investments that have benefited from the freedom of amortization of the Eleventh Additional Provision of the consolidated text of the LIS:

- **Investments made in 2009 and 2010** to which the freedom of amortization **applies with** maintenance of employment of the Eleventh Additional Provision of the consolidated text of the LIS , as amended by Royal Decree-Law 6/2010, of April 9, on measures to promote economic recovery and employment (BOE of April 13).
- **Investments made from January 1, 2011 to March 30, 2012** to which the freedom of amortization applies **without** maintenance of employment of the Eleventh Additional Provision of the consolidated text of the LIS , as amended by Royal Decree-Law 13/2010, of December 3, on actions in the fiscal, labor and liberalizing fields to promote investment and job creation (BOE of December 3). This latter regime of free amortization was also applicable to investments made between December 3, 2010 and December 31, 2010 when the entity had not met the employment maintenance requirement.

Contents of the transitional regime

Taxpayers who, as of March 31, 2012, have not fully amortized the investment made for this concept may continue to apply the amounts pending under the conditions and with the requirements established by the Eleventh Additional Provision of the consolidated text of the LIS , as amended by Royal Decree-Law 6/2010, of April 9, and by Royal Decree-Law 13/2010.

Limit on the application of outstanding amounts

The amounts pending amortization may be applied up to the limit of the positive net income of the economic activity to which the assets have been allocated prior to the deduction of the pending amounts and, where applicable, to the 5% reduction for provisions and expenses that are difficult to justify provided for in the simplified direct estimation method.

Important: *This limit is also applicable to investments made up to 31 March 2012 that correspond to new elements ordered under contracts for the execution of works or investment projects whose execution period, in both cases, requires a period of more than two years between the date of the order or start of the investment and the date of its availability or operation, to which any of the regimes of freedom of amortization of the eleventh additional provision of the consolidated text of the LIS applies.*

Consequences of applying the freedom of amortization in the transfer of assets

The transmission in 2025 of assets that would have enjoyed the freedom of amortization of the Eleventh Additional Provision of the consolidated text of the LIS has two consequences:

1. In calculating the capital gain or loss, the acquisition value will not be reduced by the amount of tax-deductible amortization that exceeds what would have been tax-deductible had the freedom of amortization not been applied.

In relation to the [calculation of the capital gain or loss of elements related](#) to the activity, see Chapter 11.

2. The excess between the amount of the tax-deductible amortizations and the amount of the amortizations that would have been tax-deductible had the former not been applied will be considered, for the transferor, as total income from the economic activity in the tax period in which the transfer is made.

See within the section "Total computable income" what is indicated regarding the [transfer of assets that have enjoyed free amortization](#) in this Chapter 7 and the Thirtieth Additional Provision of the Law of IRPFABBR.

b) Freedom of amortization for employment-generating investments made by small companies

Regulations: Articles 102 LIS

See the comment on the [freedom of amortization applicable to owners of companies considered to be small in size](#), which is contained in this same Chapter.

c) Freedom of amortization in the cases contemplated in article 12.3 of the Corporate Tax Law

In accordance with the provisions of article 12.3 of the LIS the following may be freely amortized:

- The elements of **tangible and intangible fixed assets** , excluding buildings, used for research and development activities. The buildings may be depreciated on a straight-line basis over a period of 10 years, in the part that is assigned to research and development activities.
- The **research and development expenses** capitalized as intangible assets, excluding amortization of items that enjoy free amortization.
- The elements of **tangible or intangible fixed assets of entities that have the qualification of priority associative farms** in accordance with the provisions of Law 19/1995, of July 4, on the modernization of agricultural farms, acquired during the first five years from the date of their recognition as a priority farm.
- The **new tangible fixed assets** , whose unit value does not exceed **300 euros**, up to the limit of 25,000 euros referred to the tax period. If the tax period is less than one year, the limit indicated will be the result of multiplying 25,000 euros by the proportion between the duration of the tax period and the year. The amounts applied to the free amortization will reduce, for tax purposes, the value of the amortized elements.

Freedom of amortization in renewable sources

Regulations: Seventeenth Additional Provision LIS

Note: Article 17 One of Royal Decree-Law 16/2025, of December 23 (BOE of December 24), modifies the Seventeenth Additional Provision of Law 27/2014, of November 27, on Corporate Income Tax, extending for tax periods that begin or end in 2025, when the entry into operation occurs in 2025, the tax benefit of freedom of depreciation in investments made in facilities intended for self-consumption of electrical energy, as well as those facilities for thermal use for own consumption, provided that they use energy from renewable sources and replace facilities that consume energy from non-renewable fossil sources.

Therefore, this tax incentive will only apply to investments that became operational in the years 2023, 2024 and 2025.

Scope

Investments in facilities intended for the following purposes may be freely amortized in the 2025 tax period:

- Self-consumption of electrical energy using energy from renewable sources as defined in Royal Decree 244/2019, of April 5.
- Thermal use for own consumption that uses energy from renewable sources, replacing installations that use energy from non-renewable fossil sources.

Clarifications:

- **renewable energy** will be considered to be that from non-fossil renewable sources, that is, wind energy, solar energy (solar thermal and solar photovoltaic) and geothermal energy, ambient energy, tidal energy, wave energy and other types of ocean energy, hydropower and energy from biomass, landfill gases, wastewater treatment plant gases, and biogas, as defined in Directive (EU) 2018/ 2001 of the European Parliament and of the Council of December 11, 2018, relating to the promotion of the use of energy from renewable sources.
- In the case of **electrical energy production facilities** : Only energy from facilities in category b) of article 2.1 of Royal Decree 413/2014, of June 6, regulating the activity of producing electrical energy from renewable energy sources, cogeneration and waste, will be considered renewable energy.
- In the case of **installations using electrically powered** heat pumps: Only its use for heat will be considered renewable energy from a seasonal factor performance (SCOPnet) of 2.5 in accordance with Commission Decision 2013/114/ EU of 1 March 2013, establishing the guidelines for the calculation by Member States of renewable energy from heat pumps of different technologies, in accordance with the provisions of Article 5 of Directive 2009/28/ EC of the European Parliament and the Council.
- In the case of **installations that use cold pumps** : They will only be considered to produce renewable energy when the cooling system operates above the minimum efficiency requirement expressed as a primary seasonal performance factor and this is at least 1.4 (SPFplow), in accordance with the provisions of the Delegated Regulation (EU) 2022/759 of the Commission of December 14, 2021.
- In the case of thermal renewable energy generation systems (heat and cold) for air conditioning or domestic hot water generation, it will only be understood that **non-renewable primary energy consumption has improved** when the non-renewable primary energy consumption indicator is reduced by at least 30 percent, or an improvement in the energy rating of the facilities is achieved to obtain an energy class "A" or "B", on the same rating scale.

Exceptions

The following may not benefit from this free amortization regime:

- Buildings.
- Those installations that are mandatory under the regulations of the Technical Building Code, approved by Royal Decree 314/2006, of March 17, unless the installation has a nominal power greater than the minimum required, in which case the part of the cost of the installation proportional to the installed power above the minimum required may be subject to free amortization.

Requirements

To be able to apply this incentive in the 2025 fiscal year, the following requirements must be met:

- That the facilities must have been **made available to the taxpayer as of October 20, 2022**.
- That the **commissioning** The new facilities must be completed in 2023, 2024 or 2025.

- **That during the 24 months following the date of the start of the tax period in which the acquired elements come into operation, the company's total average workforce remains the same as the average workforce of the previous 12 months.**

To calculate the total average workforce of the entity, the number of employees will be taken into account, in accordance with the terms established by labour legislation, taking into account the contracted working hours in relation to the full working day.

- That the taxpayer is in possession of documentation proving that the investment uses energy from renewable sources, as indicated below.

Once the above requirements have been met, amount of the investment that may **from the free amortization regime will be €** .

Note: *This tax incentive only applies to tax periods that begin or end in 2023 (when the elements referred to become operational in 2023) or that begin or end in 2024 (when the elements become operational in 2024) or that begin or end in 2025 (when the elements become operational in 2025). Therefore, if the amount is not fully amortized in those tax periods, the unamortized portion cannot be freely amortized in subsequent tax periods.*

Supporting documentation

In order to apply the freedom of amortization regulated in this provision, taxpayers must be in possession, as appropriate, of the following documentation proving that the investment uses energy from renewable sources, distinguishing the following assumptions depending on the type of renewable energy involved:

a. Electrical power installations:

- In the case of generation: the Operating Authorization.
- In facilities with self-consumption surpluses: the accreditation of registration in the Administrative Registry of Electric Power Production Facilities (RAIPREE) or,
- In installations of less than 100 kW : the Electrical Installation Certificate (CIE) in accordance with the Low Voltage Electrotechnical Regulations, in accordance with the provisions of Royal Decree 244/2019, of April 5.

b. Renewable gas production systems (biogas, biomethane, renewable hydrogen): accreditation of registration in the Registry of gas production facilities from renewable sources regulated in article 19 of Royal Decree 376/2022, of May 17.

c. Industrial or process thermal (heat and cold) renewable energy generation systems: accreditation of registration or report from the competent body in the Autonomous Community.

d. Thermal renewable energy generation systems (heat and cold) for air conditioning or domestic hot water generation: energy efficiency certificate issued by the competent technician after the investments have been made, indicating the incorporation of these

systems with respect to the certificate issued before the start of the investments.

Incompatibility

The taxpayer may choose to apply this incentive or the free amortization regime provided for small companies for investments with job creation when the latter is applicable.

Consequences of failure to comply with the obligation to maintain the workforce

In the event that, after the application of the tax benefit, the obligation to maintain the workforce is not met, the full amount corresponding to the excess deducted must be paid, plus the corresponding late payment interest. The payment of the full amount and late payment interest will be made together with the self-assessment corresponding to the tax period in which the obligation was not met.

Tax specialties of amortizations in the simplified modality

Regulations: Art. 30. 1 Regulation IRPFABBR

Without prejudice to the above-mentioned freedom of depreciation, the depreciation of tangible fixed assets **will be carried out on a straight-line basis**, based on the simplified depreciation table approved by Order of March 27, 1998 (BOE of March 28), which is reproduced below:

Simplified amortization table

Group	Description	Maximum linear coefficient	Maximum period
1	Buildings and similar	3 per 100	68 years
2	Facilities, furniture, fixtures and other tangible fixed assets	10 percent	20 years
3	Machinery	12 per 100	18 years
4	Transport features	16 per 100	14 years
5	Information processing equipment and computer systems and programs	26 per 100	10 years

(*) For new assets acquired between 01-01-2003 and 31-12-2004, the maximum applicable linear amortization coefficients are the result of multiplying those indicated in the table by 1.1. These coefficients thus determined are applicable during the useful life of the new assets acquired in the period indicated above. [\(Back\)](#)

Group	Description	Maximum linear coefficient	Maximum period
6	Chattels and tools	30 percent	8 years
7	Bovine, porcine, ovine and caprine stock	16 per 100	14 years
8	Horse cattle and non-citric fruit trees	8 per 100	25 years
9	Citric fruit trees and vineyards	4 per 100	50 years
10	Olive grove	2 per 100	100 years

(*) For new assets acquired between 01-01-2003 and 31-12-2004, the maximum applicable linear amortization coefficients are the result of multiplying those indicated in the table by 1.1. These coefficients thus determined are applicable during the useful life of the new assets acquired in the period indicated above. [\(Back\)](#)

Depreciation of certain vehicles and new charging infrastructure

Regulations: Eighteenth Additional Provision LIS and Fifty-ninth Additional Provision of the Law IRPFABBR

Attention :Please note that Royal Decree-Law 4/2024, of June 26 (BOE of June 27), with effect from January 1, 2024, added the Fifty-Ninth Additional Provision to the Law of IRPFABBR and amended the Eighteenth Additional Provision of the LIS replacing the existing accelerated amortization system, which consists of applying double the maximum linear amortization coefficient according to officially approved tables, with a free amortization system.

Effective January 1, 2024, free amortization is permitted in two cases:

- Investments in new vehicles FCV , FCHV , BEV , REEV or PHEV , provided that the following requirements and conditions are met:
 - Whether they are new FCV , FCHV , BEV , REEV or PHEV , as defined in Annex II of the General Vehicle Regulations, approved by Royal Decree 2822/1998, of December 23.

See section A. above for vehicles that are considered to be such.

 - That they are **affected** by economic activities.
 - That **become operational** in the tax periods that begin in **2024 and 2025**.

Precision:

According to the aforementioned Annex II, the following vehicles are considered as such:

- a. Fuel Cell Electric Vehicle (FCV): electric vehicle that uses exclusively electrical energy from an on-board hydrogen fuel cell.
- b. Fuel Cell Hybrid Electric Vehicle (FCHV): fuel cell electric vehicle that also features rechargeable electric batteries.
- c. Battery Electric Vehicle (BEV): electric vehicle that uses exclusively rechargeable electric batteries from an external electric power source as propulsion energy storage systems. The possibility of also including a regenerative braking system that charges the batteries during braking and stopping is not excluded.
- d. Range Extended Electric Vehicle (REEV): electric vehicle that, meeting all the conditions of a battery electric vehicle, also incorporates an internal combustion engine
- e. Plug-in hybrid electric vehicle (PHEV): hybrid electric vehicle, equipped with batteries that can be recharged from an external source of electrical energy, which can be propelled at will only by its electric motor(s).

2. Investments in new electric vehicle charging infrastructure, provided that the following conditions are met:

- That they are **new infrastructures for recharging electric vehicles, of normal power or high power**, in the terms defined in article 2 of the Directive 2014/94/ EU , of the European Parliament and of the Council, of October 22, 2014, relating to the implementation of an infrastructure for alternative fuels.

Please refer to the previous point for what is meant by such for these purposes.

- That they are **affected** by economic activities.
- That tax periods beginning in the years **2024 and 2025 come into operation in 2024**.

In addition, compliance with the following requirements will be required for its application:

- a. **10008195** Provision of the required technical documentation, according to the characteristics of the installation, in the form of a Project or Report, provided for in Royal Decree 842/2002, of August 2, which approves the low voltage electrical regulations, prepared by the authorized installer duly registered in the Integrated Industrial Registry, regulated in Title IV of Law 21/1992, of July 16, on Industry, and in its implementing regulations.
- b. **10008195** Obtaining the electrical installation certificate completed by the competent Autonomous Community.

Precision:

In accordance with the aforementioned article 2 of Directive 2014/94/ EU , it will be understood as:

- Normal power charging point: a charging point that allows the transfer of electricity to an electric vehicle with a power less than or equal to 22 kW , excluding those equipment with a power less than or equal to 3.7 kW , which are installed in private homes or whose primary purpose is not the recharging of electric vehicles, and which are not accessible to the public.
- High power charging point: a charging point that allows the transfer of electricity to an electric vehicle with a power greater than 22 kW .

Tax incentives applicable to small companies

Regulations: Articles 101 to 104 and 106.6 LIS

Previous issue: small business concept

Regulations: Art. 101 LIS

In general

For the purposes of applying the tax benefits discussed in this section, **Companies considered to be small-sized in the 2025 financial year are those in which the [net amount of turnover](#) in the immediately preceding tax period (fiscal year 2024) was less than 10 million euros**, whatever the net amount of turnover in the financial year itself.

Special rules

- When the company is newly created, the net amount of the turnover will refer to the first tax period in which the activity is actually carried out, increasing said figure proportionally to the year if the period of exercise has been less than 12 months.
- If the immediately preceding tax period had a duration of less than a year, or the activity had been carried out over a period of time that was also shorter, the net amount of the turnover will be increased proportionally to the year.
- Group of companies: In the event that a natural person, alone or jointly with his or her spouse or other natural persons related by direct or collateral ties, by blood or marriage, up to the second degree inclusive, is related to the entities of which they are partners in any of the cases referred to in article 42 of the Commercial Code, regardless of the residence of the entities and the obligation to prepare consolidated annual accounts, the net amount of the turnover shall refer to the set of entities or companies belonging to said group, taking into account the eliminations and additions that correspond by application of the accounting regulations.
- In the event that the same natural person carries out several economic activities, the net amount of the turnover will refer to the set of all those carried out.
- Entities under income allocation regime: The net amount of the turnover will be determined taking into account exclusively the set of economic activities carried out by said entities.

Temporal scope of application of tax incentives when the small company exceeds 10 million euros in turnover

Small companies that reach or exceed a turnover of 10 million euros in a tax period may, however, continue to apply the tax incentives of their special tax regime during the three tax periods immediately following that period, provided that they have met the conditions to be considered as small in that period (in which they reach or exceed the limit of 10 million) and in the two tax periods prior to that last period.

This measure also applies to the event in which said limit is exceeded as a result of a business restructuring under the tax regime established in Chapter VII of Title VII of the LIS , provided that the participating entities that have carried out such operation meet the conditions to be considered as small in size both in the tax period in which the operation is carried out and in the two tax periods prior to the latter.

Examples

- a. Mrs. VGC has been the owner of a company since 1996 with a net turnover of:
 - Exercise 2022: 3,700,000 euros.
 - Exercises 2023 and 2024: 8,300,000 euros.
 - Exercise 2025: 10,045,000 euros.
- b. Mr. JLT He owns a company whose net turnover in 2024 was 10,100,000 euros.
- c. Mr. SMG He has been the owner since July 1, 2024 of a company whose net turnover up to December 31 of that year was 4,600,000 euros.
- d. Mrs. ABM He has been the owner since September 30, 2025 of a company whose net turnover until December 31 of that year was 60,000 euros.

Determine which companies in the year 2025 are considered to be small businesses.

Solutions:

- a. The company described is of small size in the 2025 financial year, since the net amount of its turnover in the year 2024 is less than 10 million euros. Furthermore, even if the turnover exceeded 10 million euros in the 2025 financial year, it will be able to continue applying the tax benefits of this special regime in the 2026, 2027 and 2028 financial years since in the 2024 financial year, as well as in the two previous years, 2023 and 2022, it met the limits of net turnover to be considered as a small business (less than 10 million euros in 2024, 2023 and 2022).
- b. The company described is not of small size in the 2025 financial year, whatever the net amount of its turnover in this financial year.
- c. The company described is of small size in the 2025 financial year, since the net amount of its turnover in the 2024 financial year raised to the annual figure was 9,200,000 euros, so it does not exceed the established figure of 10 million euros.

- d. The company described is of small size in the 2025 fiscal year. It should also be noted that this tax classification will also be applicable in the 2026 fiscal year, because when the net amount of turnover is raised to the annual amount, the resulting amount (240,000 euros) does not exceed the maximum amount set at 10 million euros.

Note: the determination of the [net amount of turnover](#) is carried out in accordance with the comments made on this subject in this same Chapter.

Freedom of amortization with job creation

Regulations: Art. 102 LIS

Requirements

Holders of economic activities whose net income is determined by direct estimation, in either of its two modalities, and in which each and every one of the requirements listed below are met, may benefit from this incentive.

- a. **That the economic activity is considered a small company for tax purposes in the year in which the investment is made .**

For these purposes, the investment will be deemed to have been made when the assets are made available to the owner of the activity.

- b. **That they are new elements of tangible fixed assets and real estate investments, related to economic activities** , made available to the taxpayer in the tax period in which the economic activity is considered a small business.

The investment may also be made in elements ordered under a contract for the execution of works signed in the tax period, provided that they are made available within 12 months of their completion.

The investment may also be made in tangible fixed assets and real estate investments built by the company itself, provided that the completion of the construction takes place within the following 12 months or in the tax period in which the economic activity is considered to be a small company.

If new tangible fixed assets and investment property are acquired under a financial lease, the purchase option must be exercised.

- c. **That during the 24 months following the date of the start of the tax period in which the acquired assets come into operation, the company's total average workforce increases compared to the average workforce of the previous 12 months, and said increase is maintained for an additional period of another 24 months.**

To calculate the average total workforce of the economic activity and to determine the increase, the persons employed in accordance with the terms established by labour legislation will be taken into account, taking into account the contracted working day in

relation to the full working day. This should therefore include workers with open-ended contracts, limited-duration contracts, temporary contracts, apprenticeship contracts, training contracts and part-time contracts.

- d. **That the maximum amount of the investment that is freely amortized does not exceed the amount resulting from multiplying the figure of 120,000 euros by the increase in the average total workforce of the economic activity calculated with two decimal places.**

If each and every one of the above requirements is met, the freedom of depreciation may be applied from the entry into operation of the elements eligible for it.

Incompatibility

Contracted workers who entitle the worker to a deduction for job creation for disabled workers (article 38 of the LIS) will not be counted for the purposes of the freedom of amortization with job creation for small companies in article 102 of the LIS . Contracted workers who give rise to one of the deductions provided for in article 37 of the LIS (deductions for job creation) will not be counted either.

Consequences of failure to comply with the obligation to increase or maintain staff

In the event that, after the application of the tax benefit, the obligation to increase or maintain the workforce is not fulfilled, the full amount corresponding to the excess deducted must be paid, plus the corresponding late payment interest. The aforementioned fee and late payment interest will be paid together with the self-assessment corresponding to the tax period in which one or another obligation has been breached.

Note: *The freedom of amortization for low-value investments that the previous consolidated text of the Corporate Tax Law regulated in its article 110 only for small-sized entities has been replaced in the current LIS by a similar benefit applicable to all taxpayers of the aforementioned tax.*

Accelerated amortization of new elements of tangible assets and real estate investments and intangible assets

Regulations: Art. 103 LIS

Holders of economic activities, whose net income is determined by the direct estimation method, in any of its two modalities, in which each and every one of the requirements indicated below are met, may depreciate in an accelerated manner, for tax purposes, the new elements of tangible fixed assets and real estate investments and intangible fixed assets, in the terms indicated below.

Requirements

- a) That the economic activity is considered a small business for tax purposes in the year in which the elements referred to in this tax benefit are made available.
- b) That they are new elements of tangible fixed assets and real estate investments, as well as elements of intangible fixed assets, assigned to economic activities.

For these purposes, an item is deemed to be new when it is used or put into working order for the first time by the taxpayer.

If the items are ordered under a contract for the execution of works signed during the tax period, they must be made available within 12 months of its conclusion.

The investment may also be made in tangible and intangible fixed assets and real estate investments, built or produced by the company itself, provided that the completion of the construction or production takes place in the tax period in which the economic activity is considered a small company for tax purposes or in the 12 months following the conclusion of the tax period.

Accelerated deductible amortization

New elements of tangible fixed assets and real estate investments, as well as elements of intangible fixed assets may apply the percentage resulting from **multiplying by 2 the maximum linear coefficient** provided for in the officially approved amortization tables.

Please note in this regard that the table of amortization coefficients applicable in the normal form of the direct estimation method is included in [article 12.1.a\) of the LIS](#). In the simplified version of the aforementioned method, the applicable amortization table is contained in the [Order of March 27, 1998](#) (BOE of March 28).

However, within intangible fixed assets, those whose useful life cannot be estimated reliably, as well as goodwill, may apply the percentage of 150% to the amount that is deductible from applying to them the provisions of article 12.2 of the LIS .

Article 12.2 of the LIS establishes that intangible assets whose useful life cannot be estimated reliably, as well as goodwill, will be deductible with the maximum annual limit of one twentieth of their amount (5 percent).

Please note that with effect for tax periods 2016 and subsequent years, all intangible fixed assets are assets with a defined useful life, so all of them, including goodwill, will be amortized over that useful life.

Without prejudice to the foregoing, for assets to which the transitional regime provided for in the thirteenth transitional provision of the LIS is applicable, that is, for those to which, in tax periods beginning before 1 January 2015, a different amortisation coefficient was being applied to that which corresponded to them by application of the amortisation table provided for in article 12.1 of the LIS , the new useful life of the asset must be determined based on the maximum linear coefficient provided for in the table established in the LIS , in order to, once determined, multiply by 2 the coefficient by which it will be amortised during the remaining tax periods to complete its new useful life, on the net tax value existing at the beginning of the first tax period beginning on or after 1 January 2015.

Compatibility

This amortization regime will be compatible with any tax benefit that may arise due to the assets subject to it. Furthermore, this regime is subsidiary to the regime of free amortization with job creation, so it may be applied to the part of investment in new tangible fixed assets that exceeds the maximum limit set for the latter.

Example: Accelerated amortization of new elements of tangible assets and real estate investments and intangible assets

Mr. AST is the owner of an economic activity dedicated to the manufacture of locksmith and artistic forging articles whose net income is determined by the direct estimation method, normal modality.

In the 2024 financial year, the net amount of the business turnover amounted to 2,800,000 euros.

In July 2025, he acquired for his business a new sheet metal and bar bending and curving machine whose acquisition price, including accessory expenses, amounted to 36,000 euros.

The aforementioned machine was made available to Mr. AST in November 2025 and became operational on December 1, 2025.

Determine the deductible accelerated depreciation corresponding to said machine during the 2025 fiscal year.

Solution:

Since the economic activity in the 2024 financial year is considered to be that of a small business and this is the financial year in which the investment is understood to have been made, when the aforementioned machine is made available to the owner, accelerated depreciation may be carried out in said financial year.

The calculation of said amortization is carried out as follows:

- Maximum linear amortization coefficient according to tables: 12 per 100
- Accelerated amortization coefficient: $(12 \times 2) = 24$ per 100
- Accelerated depreciation amount: $(24\% \text{ s/}36,000) \times 1/12 = 720$ euros

Losses due to credit impairment due to possible insolvencies of debtors

Regulations: Art. 104 LIS

Requirements

In addition to the [individualized](#) due to impairment of credits due to debtor insolvency referred to in article 13.1 of the LIS, the holders of economic activities whose net income is determined by the direct estimation method, in any of its two modalities, may deduct the impairment loss on the balance of debtors not affected by the individualized provision in accordance with the following requirements:

- a. That the taxpayer is considered a small company for tax purposes in the year in which the loss is deducted.

- b. That the loss due to impairment of credits due to possible debtor insolvencies does not exceed the limit of 1% of those existing at the end of the tax period.

For these purposes, **the following debtors will not be included:**

- a. Debtors for whom the loss due to impairment of credits due to bad debts established in article 13.1 of the LIS has been individually recognized.
- b. Debtors whose impairment losses are not deductible according to the provisions of article 13.1 of the LIS . In accordance with the aforementioned article, in the case of small entities, the following losses due to credit impairment are not deductible:
- Those corresponding to credits owed by public law entities, except when they are the subject of an arbitration or judicial procedure that deals with their existence or amount.
 - Those corresponding to credits owed by related persons or entities, unless they are in a situation of bankruptcy and the liquidation phase has been opened by the judge, in the terms established in Law 22/2003, of July 9, Bankruptcy and, since September 1, 2020, in Royal Legislative Decree 1/2020, of May 5, which approves the revised text of the Bankruptcy Law.

For informational purposes only, the table of correspondences of the provisions of Law 22/2003, of July 9, on Bankruptcy, with those of the consolidated text of the Bankruptcy Law, approved by Royal Legislative Decree 1/2020, of May 5, by virtue of the third Additional Provision thereof, may be consulted through the following [link](#).

In periods in which the economic activity ceases to meet the conditions to be considered a small company, losses due to impairment of credits due to possible insolvency of debtors will not be tax deductible until they exceed the amount of the overall loss allocated in the periods in which the economic activity was considered as such.

Note: Please note that small companies that reach or exceed a turnover of 10 million euros in a tax period may continue to apply the tax incentives of their special tax regime during the three tax periods immediately following that period, provided that they have met the conditions to be considered as small in that period (in which they reach or exceed the limit of 10 million) and in the two tax periods prior to the latter.

Transitory rules: Amortization of assets subject to reinvestment by small companies

Regulations: Twenty-eighth transitional provision LIS

Holders of economic activities that determine net income by the direct estimation method and were applying, prior to January 1, 2015, the amortization of assets subject to reinvestment that was regulated for small companies by article 113 of the consolidated text of the LIS , approved by Royal Legislative Decree 4/2004, of March 5, may continue to apply it, with the requirements and conditions established in that article.

For these purposes, the aforementioned article allowed the amortization of the elements of tangible fixed assets and real estate investments assigned to the economic exploitation in which the reinvestment of the total amount obtained in the onerous transfer **of elements of tangible fixed assets and real estate investments** also assigned had been materialized, based on the coefficient resulting from **multiplying by 3 the maximum linear amortization coefficient provided for in the officially approved amortization tables**.

The requirements established in article 113 of the consolidated text of the LIS to apply this incentive were the following:

- a. That in the year in which the tangible fixed assets and real estate investments were transferred, the businessman or professional was the owner of a small company.
- b. That the transferred element was for a consideration, this benefit not being applicable to lucrative transfers.
- c. That the investment was made within the period between the year prior to the date of delivery or availability of the transferred item and the three years thereafter.

The reinvestment was understood to have taken place on the date on which the assets in which the amount obtained from the transfer was made available were made available.

- d. That the total amount obtained from the transfer be reinvested. When the amount invested was less or greater than that obtained in the transfer, accelerated amortization was applied only to the amount of said transfer that was subject to reinvestment.

Note: Please note the particularity that article 106 of the LIS establishes for small entities in financial leasing contracts, which is discussed in the section devoted to [leases and fees](#) within "Tax-deductible expenses" of this Chapter.

Phase 2. Determination of reduced net yield

To determine the reduced net yield, the following reductions will be applied to the net yield calculated in accordance with the provisions of [Phase 1](#) above:

A) Reduction for returns with a generation period of more than two years or obtained in a notoriously irregular manner

Regulations: Articles 32.1 Law IRPFABBR and 25 Regulation IRPFABBR

This reduction may be applied to the calculated net yield where appropriate, the most notable aspects of which are as follows:

1. Yields to which it applies and percentage of reduction

The following returns will be reduced by 30% :

- a. **Net income whose generation period is greater than two years, provided that it is attributed to a single tax period.**
- b. **Net returns obtained in a notoriously irregular manner over time.**

The following are considered to be income from economic activities obtained in a notoriously irregular manner over time, exclusively, **when they are imputed in a single tax period** :

- a. Capital grants for the acquisition of non-depreciable fixed assets.
- b. Compensation and aid for cessation of economic activities.
- c. Literary, artistic or scientific prizes that do not benefit from exemption from this tax. For these purposes, economic compensation derived from the transfer of intellectual or industrial property rights or that replace these are not considered prizes.
- d. Compensation received in lieu of economic rights of indefinite duration.

2. Maximum amount of performance to which the reduction applies

The amount of net income to which the 30% reduction will be applied may not exceed the amount of **300,000 euros per year** .

In the event that several irregular returns of the same nature are obtained, and their amount exceeds the limit of 300,000 euros of maximum amount on which to apply the 30% reduction, the maximum reduction will be distributed proportionally between all the returns of that nature.

Important: *This reduction will not apply to those returns that, even though they could individually derive from actions carried out over a period that meets the requirements indicated above, come from the exercise of an economic activity that regularly or habitually obtains this type of returns.*

3. Income received in installments before January 1, 2015: Transitional scheme

Regulations: Transitional provision twenty-fifth.3 Law IRPFABBR

Income that was received in installments prior to 1 January 2015 with the right to apply the reduction of article 32.1 of the Law of IRPFABBR in its wording in force as of December 31, 2014, **They will be able to apply the current 30 percent reduction, with the limit of the maximum reduction base of 300,000 euros, to each of the fractions that are imputed from 1 January 2015** provided that the quotient resulting from dividing the number of years of generation, calculated from date to date, by the number of tax periods of fractionation, is greater than two.

However, **when it concerns income derived from commitments acquired prior to January 1, 2015, which were scheduled to begin being collected in installments in tax periods beginning on or after said date** , the substitution of the initially agreed form of

collection for its collection in a single tax period will not alter the start of the period for generating the income.

B) Reduction for income under the special regime “XXXVII Copa América Barcelona”

Individuals who acquire the status of taxpayers by IRPFABBR As a result of their travel to Spanish territory for the “XXXVII Copa América Barcelona” event, they may apply a **65 percent reduction on the net amount of the income obtained** of the organizing entity or of the teams participating in the “XXXVII Copa América Barcelona”, insofar as they are directly related to their participation in said event.

Important: the reduction for income covered by the special regime “XXXVII Copa América Barcelona” will be applied to the previous net income from the economic activity using the direct estimation method, once the reduction for income with a generation period of more than two years or obtained in a notoriously irregular manner over time, discussed in letter A) above , has been applied, where applicable.

Phase 3. Determination of Total Reduced Net Return

General reductions for the exercise of certain economic activities

1. Reduction for economically dependent self-employed workers or with only unrelated client

Regulations: Articles 32.2.1 and 2 Law IRPFABBR and 26 Regulation IRPFABBR

Requirements to be entitled to this reduction

Taxpayers who meet each and every one of the following requirements are entitled to this reduction:

a) That the net income from the economic activity is determined according to the direct estimation method.

However, if the net income is determined according to the simplified method of direct estimation, the reduction will be incompatible with the application of the 5 percent deductible percentage (with a maximum amount of 2,000 euros) for all deductible provisions and expenses difficult to justify referred to in article 30.2.4 of the Law of IRPFABBR.

Clarifications:

In joint taxation, if only one of the spouses meets the requirements to apply the reduction, the fact that they choose to apply it does not prevent the other spouse from applying the 5% deduction for deductible provisions and expenses that are difficult to justify (with the limit of 2,000 euros).

If both spouses meet the requirements to apply the reduction, the fact that one of them chooses to apply it does not prevent the other spouse from applying the 5% deduction for all deductible provisions and expenses that are difficult to justify (with a limit of 2,000 euros). However, in this case the amount of the reduction may not be greater than the net income from the activities of the spouse who has opted to apply the reduction.

b) That all deliveries of goods or services are made to a single person, natural or legal, **not linked** in the terms of article 18 of the LIS, **or that the taxpayer is considered a self-employed worker economically dependent** in accordance with the provisions of Law 20/2007, of July 11, of the Statute of Self-Employed Workers (BOE of July 12) and the client on whom he/she **economically depends is not a linked entity** in the terms previously mentioned.

For these purposes, in accordance with article 11 of the aforementioned Law 20/2007, an economically dependent self-employed worker is considered to be one who carries out an economic or professional activity for profit and on a regular, personal, direct and predominant basis for a natural or legal person, called a client, on whom he or she depends economically because he or she receives from him or her at least 75 percent of his or her income from work and economic or professional activities.

Regarding the LIS see Law 27/2014, of November 27, on Corporate Tax.

Associated persons or entities:

To determine when there is a link, the provisions of article 18.2 of the LIS must be taken into account, in which the following are considered linked persons or entities:

- *An entity and its partners or shareholders.*
- *An entity and its directors or administrators, except with regard to remuneration for the performance of their functions.*
- *An entity and the spouses or persons related by kinship, in a direct or collateral line, by consanguinity or affinity up to the third degree of the partners or participants, directors or administrators.*
- *An entity and the directors or managers of another entity, when both entities belong to a group.*

In cases where the link is defined based on the relationship of the partners or participants with the entity, the participation must be equal to or greater than 25%. The reference to administrators will include those de jure and those de facto. In cases where the link is not defined based on the relationship between partners or participants-entity, the percentage of participation to be considered will be 25%.

In these cases, the taxpayer of IRPFABBR must comply with the documentation obligations for related-party transactions under the terms and conditions established in Chapter V (Articles 13 to 16) of the Corporate Income Tax Regulations, approved by Royal Decree 634/2015, of July 10 (BOE July 11).

c) That the set of deductible expenses corresponding to all economic activities developed by the taxpayer **does not exceed 30% of the declared gross income**.

d) That, during the tax period, all formal obligations are fulfilled provided for in Article 68 of the Regulations of IRPFABBR.

The [formal accounting and registration obligations](#) of taxpayers who are owners of economic activities are discussed in Chapter 6.

e) That no income from work is received in the tax period.

However, this requirement will not be considered to be breached when unemployment benefits or any of the benefits derived from the social security systems referred to in Article 17.2 of the Law are received during the tax period. IRPFABBR provided that the amount does not exceed 4,000 euros per year.

In these cases and provided that all the established requirements are met, both the reduction for obtaining work income and the reduction for carrying out certain economic activities will be applied.

Please note that Social Security benefits for temporary incapacity are classified in the IRPFABBR of employment income, in accordance with article 17.2.a)1 of the Law IRPFABBR, which as such includes not only the total benefit received, but also the amount of contributions to the Special Scheme for Self-Employed Workers of the Social Security (RETA) that, where applicable, would have been paid by the mutual collaborating entity of the Social Security.

f) That at least 70 percent of the income for the tax period is subject to withholding or payment on account.

g) That no economic activity is carried out through entities under an income attribution regime.

Note: When the taxpayer opts for joint taxation, he/she will be entitled to the reduction for economically dependent self-employed workers or those with a single unrelated client when he/she individually meets the requirements indicated above to be entitled to its application and its amount may not exceed the net income from the economic activities of the members of the family unit that generate the right to its application.

Reduction amount

Fixed amount: 2,000 euros

When the above requirements are met, taxpayers may reduce the net income from economic activities by 2,000 euros.

Additional reduction for taxpayers with net income below 19,747.5 euros

With effect from 1 January 2023 and indefinite validity, when the net income from economic activities is less than 19,747.5 euros, and the taxpayer has no income, excluding exempt, **other than income from economic activities exceeding 6,500** the following additional reductions are established:

Amount of additional reduction for economically dependent self-employed workers or those with a single unrelated client

Net performance	Reduction amount
14,047.5 euros or less	6.498 euros
Between 14,047.5 and 19,747.5 euros	$6,498 - [1.14 \times (RN - 14,047.5)]^{(*)}$
(*) RN=net performance of economic activities.	

In the case of joint taxation of family units in which several of its members obtain income from economic activities, the amount of the reduction will be determined based on the joint amount of the net income from the economic activity of all the members of the family unit and, where applicable, of income other than income from economic activity, without it being necessary to multiply the amount of the resulting reduction based on the number of members of the family unit who receive income from economic activities.

Note: The concept of "income excluding exempt income, other than income from economic activities" referred to in article 32.2.3, includes the algebraic sum of net income (from work and movable and immovable capital), imputed income and capital gains and losses computed in the year, without applying the integration and compensation rules. However, income must be calculated on its net amount, that is, after deducting expenses, but without applying the corresponding reductions, except in the case of employment income, in which the reduction provided for in Article 18 of the Law may be taken into account. IRPFABBR when applied prior to the deduction of expenses.

Additional reduction for people with disabilities

Additionally, [people with disabilities](#) who obtain net income derived from the effective exercise of an economic activity may apply the corresponding amount of the following:

- 3,500 euros per year, as a general rule.
- 7,750 euros per year, for people with disabilities who prove they need help from third parties or have reduced mobility, or a degree of disability equal to or greater than 65%.

2. Reduction for taxpayers with non-exempt income of less than 12,000 euros

Regulations: Articles 32.2.3 Law IRPFABBR and 26 Regulation IRPFABBR

Reduction amount

When the requirements for applying the above reduction are not met, taxpayers with non-exempt income of less than 12,000 euros, including income from their own economic activity, may reduce the net income from economic activities by the following amounts:

Reduction amount for taxpayers with non-exempt incomes of less than 12,000 euros

Non-exempt income	Reduction amount
8,000 euros or less	1,620 euros
Between 8,000.1 euros and 12,000 euros	$1,620 - [0.405 \times (\text{Income} - 8,000)]$

Note: For these purposes, income is understood to be the algebraic sum of net income (from work, movable and immovable capital, and economic activities), income imputations, and capital gains and losses computed in the year, without applying the integration and compensation rules. However, income must be calculated on its net amount, that is, after deducting expenses, but without applying the corresponding reductions, except in the case of employment income, in which the reduction provided for in Article 18 of the Law may be taken into account. IRPFABBR when applied prior to the deduction of expenses.

Limit of the reduction

This reduction is limited by the amount of income from the taxpayers' economic activities that generate the right to apply it.

Clarifications

- This reduction is unique to the taxpayer, regardless of the number of economic activities carried out by him or her and the method by which net income is determined, so if several are carried out, the amount must be distributed proportionally among all of them.
- The requirements for applying this reduction are strict and are related to the taxpayer, so if the taxpayer meets these requirements, he or she may apply the aforementioned reduction, regardless of whether the income from economic activities derives from his or her participation in an entity under an income attribution regime. On the other hand, this reduction cannot be applied to determine the net income from the economic activities of entities under an income attribution regime.
- The reduction is compatible with the estimated expenditure for deductible provisions and expenses that are difficult to justify, as regulated by Article 30 of the Regulations of IRPFABBR.
- In the case of joint taxation, if one of the taxpayers belonging to the family unit were to apply the reduction for economically dependent self-employed workers or those with a single unrelated client provided for in article 32.2.1° of the Law of IRPFABBRThe other

members of the family unit to whom this reduction will not apply will not be able to apply this reduction, given the incompatibility between the two.

3. Maximum limit and incompatibilities of general reductions for the exercise of certain economic activities

Maximum limit

- As a consequence of the application of the reductions for the exercise of certain economic activities mentioned above, provided for in article 32.2 of the Law of IRPFABBR, the resulting balance from the net income of economic activities **It cannot be negative..**
- In the case of **joint taxation** the following must be taken into account:
 - a. The reduction for economically dependent self-employed workers or those with a single non-linked client under Article 32.2.1 of the Law IRPFABBR Its limit is the amount of the **net income from the economic activities of taxpayers that generate the right to its application.**
 - b. The reduction for taxpayers with non-exempt income of less than 12,000 euros is limited to the balance of the **sum of net income** from economic activities of the **members of the family unit** , so that it cannot be negative due to the application of the reduction.

Besides, **this reduction** for taxpayers with non-exempt income below 12,000 euros **together with the reduction** through obtaining income from work **of Article 20 of the Law of IRPFABBR cannot exceed 3,700 euros.**

Incompatibilities

The reduction for economically dependent self-employed workers or those with a single unrelated client and the reduction for taxpayers with non-exempt incomes of less than 12,000 euros are incompatible with each other.

Reduction in net income due to the start of an economic activity

Regulations: Art. 32.3 Law IRPFABBR

Requirements

The taxpayer who meets each and every one of the following requirements is entitled to this reduction:

- a. **That he/she begins the exercise of an economic activity and determines the net performance of his/her economic activity according to the direct estimation method**

To comply with this requirement, all economic activities carried out by the taxpayer must be taken into account, both those carried out individually and those carried out through entities under an income attribution regime.

- b. That the economic activity has started on **as of January 1, 2013** .
- c. That **no other activity has been carried out in the year prior to the start date of the new activity** .

For these purposes, it will be understood that an economic activity has begun when no economic activity has been carried out in the year prior to the start date of the same, without taking into consideration those activities whose exercise has ceased without having obtained positive net returns since its start.

Reduction amount

- Once the above requirements have been met, the taxpayer will be able to reduce by **20 percent of the amount of the positive net return** declared from all its activities, previously reduced, where applicable, by application of the reduction for net income with a generation period of more than two years, or obtained in a notoriously irregular manner over time, and by the reduction that corresponds to the exercise of certain economic activities referred to in article 32.2 of the Law of IRPFABBR.
- The reduction will be applied in the **first tax period in which the income is positive and in the following** .
- In cases where an activity that generates the right to apply this reduction is started and another activity is subsequently started, without having ceased the previous one, the reduction will begin to apply in the tax period in which the **sum of the positive net income from both activities is positive** , being applied to said sum.

Maximum limit of reduction

The amount of net income to which the aforementioned reduction will be applied cannot exceed the amount of **100,000 euros per year** .

If net income exceeds 100,000 euros per year, the reduction will be applied to that amount, and cannot be applied to the amount exceeding that amount. In other words, the reduction for starting a business would be 20,000 euros in this case.

Exclusion

The reduction does not apply in the tax period in which **more than 50% of the income of the same** comes from a person or entity from which the taxpayer obtained employment income in the year prior to the start date of the activity.

Reduction for income from artistic activities

Regulations: Sixtieth Additional Provision of the Law IRPFABBR

Requirements for reducing artistic activities

From January 1, 2025, taxpayers who meet each and every one of the following requirements are entitled to this reduction:

- That you perform one of the following activities:
- Activities included in groups 851, 852, 853, 861, 862, 864 and 869 of section two and in groups 01, 02, 03 and 05 of section three of the Economic Activities Tax Rates, approved together with the Instruction for their application by Royal Legislative Decree 1175/1990, of September 28, or
- The provision of professional services which, by its nature, if carried out on behalf of others, would be included in the scope of application of the special employment relationship of artists who carry out their activity in the performing, audiovisual and musical arts, as well as of the people who carry out technical or auxiliary activities necessary for the development of said activity.
- That **No** proceed to apply the reduction for income obtained in a notoriously irregular manner of art. 32.1 of the Personal Income Tax Law.
- That the income for the tax period exceeds 130 percent of the average amount of income **net** imputed of this nature in the three previous tax periods.

For the purpose of calculating the average amount of income obtained in the three previous tax periods, all economic activities carried out by the taxpayer must be taken into account, both those carried out individually and those carried out through entities under the income attribution regime.

The requirements for applying this reduction are mandatory and refer to the taxpayer, so if the taxpayer meets these requirements, they may apply the aforementioned reduction, regardless of whether the income from economic activities derives from their participation in an entity under the income attribution regime.

For the purposes of **calculation of net returns** For economic activities to which this reduction applies, as well as those of the three previous tax periods, the following rules will be taken into account:

- Deductible expenses that are common to other income from economic activities will be prorated proportionally based on the amount of the different gross income from economic activities computed in said fiscal years.
- If the net return in any of the three previous years was negative, it will be computed as 0 for the purposes of calculating said average.

Amount and maximum limit

Reduction amount

Once the aforementioned requirements have been met, the taxpayer may reduce by 30 percent of the portion of the net income corresponding to the aforementioned excess.

This reduction will apply **subsequently**, In their case, to the reductions provided for in sections 2 (for economically dependent self-employed workers and for incomes below 12,000 euros) and 3 (for the start of economic activity) of article 32 of the Law of IRPFABBR. Therefore, the net return on economic activities cannot be negative as a consequence of it.

Maximum limit of reduction

The amount of net income to which this reduction will be applied **it will not be able to exceed** the amount of **150,000 euros per year**.

Example: reduction for income from artistic activities

Doña POR, a content creator specializing in sustainable fashion and "hauls" on a digital platform, manages her channel and social networks and collaborates with eco-friendly brands, organizes fashion events and sells her own fashion guides. For this purpose, she is registered in group 869 of section two of the Tariffs, "Other professionals related to artistic and cultural activities not classified in section three".

In 2025, she launched an audiovisual series called "24 looks, 24 hours," which she began filming in December 2023 and in which she collaborates with fashion designers, travels to different cities, and documents the entire creative process. The content goes viral and secures exclusive sponsorship deals with major brands, broadcasting rights purchased by a streaming platform, and massive sales of its interactive fashion guide. That year, specifically and as a result of the series premiere, he earned an income of 500,000 euros.

Net returns in previous years were more moderate:

2022: 125,000

2023: 145,000

2024: 105,000

The following expenses are known to be associated with the project:

Subject	Cost
Audiovisual production	35,000 euros
Collaborators	40,000 euros
Travel and accommodation	15,000 euros

Subject	Cost
Promotional campaigns	10,000 euros
Design tools and software	5,000 euros
Other expenses (web design, subtitles, etc.)	5,000 euros
Total spends	110,000 euros

Determine if Ms. POR is entitled to apply the new reduction for income from artistic activities obtained exceptionally in 2025.

Solution

- Average of net income in the three previous tax periods: $(125,000 + 145,000 + 105,000) / 3 = 125,000$
- 130% of the average of the previous net returns is: $130\% * 125,000 = 162,500$ euros.
- Deductible expenses in 2025: 110,000
- Calculation of the net return corresponding to 2025: $500,000 - 110,000 = 390,000$ euros.
- Surplus obtained in 2025: $390,000 - 162,500 = 227,500$ euros

In this case, since 227,500 euros exceeds 150,000 euros, the 150,000 euro limit applies. Therefore, Ms. POR will reduce her net income from economic activities by 30% of 150,000 euros = 45,000 euros.

Summary table

Summary table: Calculation of the net income to be integrated into the tax base

Phase	Direct estimation (normal mode) (EDN)	Direct estimation (simplified mode) (EDS)
Phase 1	(+) Gross income (-) deductible expenses (-) Amortization (=) Net income	(+) Gross income (-) Deductible expenses (except provisions and amortizations) (-) Amortizations simplified table (-) Difference (+) Expenses that are difficult to justify: 5% on positive difference (Maximum 2,000 euros) * <i>Note (*): It is incompatible with the reduction for economically dependent self-employed workers or those with a single unrelated client</i> (=) Net income
Phase 2	(-) Reduction of returns with a generation period of more than two years or obtained in a clearly irregular manner when they are imputed in a single fiscal year (30%). Maximum reduction base: 300,000 euros. <u>Transitional regime</u> : application of this reduction to income that was received in installments prior to 1-1-2015. (-) Reduction of returns under the special regime "XXXVII Copa América Barcelona" (65%). (=) Reduced net performance	(-) Reduction of returns with a generation period of more than two years or obtained in a clearly irregular manner when they are imputed in a single fiscal year (30%). Maximum reduction base: 300,000 euros. <u>Transitional regime</u> : application of this reduction to income that was received in installments prior to 1-1-2015. (-) Reduction of returns under the special regime "XXXVII Copa América Barcelona" (65%). (=) Reduced net performance
Phase 3	(-) Reduction for economically dependent self-employed workers or those with a single unrelated client: - General reduction. - Additional increase for taxpayers with net income from activity of less than 19,747.5 euros and income other than the above,	(-) Reduction for economically dependent self-employed workers or those with a single unrelated client * <i>Note (*): It is incompatible with expenses that are difficult to justify</i> General reduction.

Phase	Direct estimation (normal mode) (EDN)	Direct estimation (simplified mode) (EDS)
	excluding exempt income, of less than 6,500 euros. • Additional increase for disability. (-) Reduction for taxpayers with total income of less than 12,000 euros, including income from economic activity (incompatible with the previous reduction) (-) Reduction due to start of activity (-) Reduction for income from artistic activities obtained exceptionally (=) Total reduced net earnings	• Additional increase for taxpayers with net income from the activity less than 19,747.5 euros and income other than the above, excluding exempt income, less than 6,500 euros. • Additional increase for disability. (-) Reduction for taxpayers with total income of less than 12,000 euros, including income from economic activity (incompatible with the previous reduction) (-) Reduction due to start of activity (-) Reduction for income from artistic activities obtained exceptionally (=) Total reduced net earnings

Treatment of capital gains or losses derived from elements affected by the exercise of economic activities

Regulations: Art. 28.2 Law IRPFABBR

In order to equalize the tax treatment applicable to capital gains or losses derived from all assets or rights owned by the taxpayer, the Law of IRPFABBR Article 28.2 establishes as a general principle that capital gains or losses derived from elements related to economic activities are not included in the net income of the same, but are taxed as such along with the rest of the capital gains or losses.

See in this regard within Chapter 11 dedicated to "Capital gains and losses" of this Manual the specific valuation rules that are discussed in relation to the "[Assets allocated or disassociated less than three years in advance](#)".

Practical case (determination of net income derived from professional activity in direct estimation, simplified modality)

Don HAV, married to Mrs. ESM under a community property regime, he is a radiologist and practices his professional activity exclusively in a private practice located in premises acquired by the couple.

To determine its net income, it has been using the direct estimation method (simplified) and the accrual criterion for the allocation of income and expenses from its activity.

The staff in the 2025 fiscal year consists of one employee. According to the data recorded in their accounting books, the income and expenses for 2025 are as follows:

Gross income

- Fees for services rendered: 124,000
- Conferences and publications: 10.800

Bills

- Wages and salaries: 18.900
- Social Security: 5.900
- Special Social Security regime for self-employed workers or freelancers of the owner of the activity (RETA): 3.300
- Purchase of radiological and medical equipment: 19,000
- Financial expenses: 1,100
- Amortization of the premises: 2.900
- Amortization of radiological equipment: 5,000
- VAT supported on current expenses: 1,600
- Non-state taxes: 1,700
- Attendance at the VI Radiological Congress: 1,000
- Acquisition of medical books and journals: 1,300
- Power supply: 4.000
- Water supply: 300
- Gas supply: 1,000
- Telephone and Internet supply: 2,500
- Cleaning of the premises: 4.500
- Reparations and conservation: 3.800
- Community receipt (consultation premises): 1,700

Also, under the concept of “extraordinary income and expenses”, the following items appear:

- Extraordinary income (consequence of the sale of the premises used for consultation): 80.900
- Extraordinary expense (consequence of the sale of X-ray equipment): 7.200

Other data of interest

- Within the amounts listed under the heading "Fees for services rendered", there is no amount recorded for 10 x-rays taken on his son in March 2025. The average market price for each similar X-ray is 60 euros.
- "Conferences and publications" involve the taxpayer's own use of production means for the purpose of participating in the production and distribution of services, with the transfer of copyright in respect of publications.
- Under "Salaries and wages" there are 1,200 euros paid to her spouse for services rendered as an assistant at the clinic during the month of vacation of the employee who has been providing her services at the clinic since 2002.
- The amortizations carried out correspond to the effective depreciation of the elements of tangible fixed assets.
- The initial stock of inventoried products amounted to 13,100 euros, while the final stock amounted to 16,100 euros.
- "Extraordinary income and expenses" correspond, respectively, to the profit obtained from the sale of the premises in which the consultation was installed and to the loss derived from the sale of an X-ray machine.
- The remaining income not exempt from IRPFABBR The amounts obtained by the taxpayer in 2025 totaled 1,500 euros.

Solution:

Information	Subject	Registered values	Fiscal values
Revenues	Fee	124,000	124,000
	Self-consumption	--	600 (1)
	Conferences	10.800	10.800 (2)
	Variation of existences	3,000	3,000 (3)
	Total income	137,800	138,400
Bills	Wages and salaries	18.900	17,700 (4)
	Social Security	5.900	5.900
	Special System for Self-Employed Workers	3.300	3.300

Information	Subject	Registered values	Fiscal values
	Shopping	19,000	19,000 (5)
	Acquisition of books and magazines	1,300	1,300
	Financial expenses	1,100	1,100
	Provisions for the year for amortization of tangible fixed assets (premises and radiological equipment)	7.900	7.900 (6)
	VAT supported	1,600	1,600 (7)
	Non-state taxes	1,700	1,700
	Supply (electricity, water, gas, telephone and internet)	7.800	7.800
	Repair conservation	3.800	3.800
	Cleaning of the premises (other external services)	4.500	4.500
	Community/consultation receipts (other external services)	1,700	1,700
	Attendance at the 6th Congress (Other tax-deductible items)	1,000	1,000
	Total spends	79,500	78,300 (8)
	Set of deductible provisions and expenses that are difficult to justify	--	2,000 (9)
Net performance		58,300	58.100
Reduced net yield			58.100 (10)
Total reduced net performance			58.100 (eleven)

Notes to the table:

(1) The income must include 600 euros for personal consumption, based on the market price of the 10 x-rays performed on his son. [\(Back\)](#)

(2) The amounts received for "Conferences and publications" are considered income from the professional activity carried out by the taxpayer. [\(Back\)](#)

(3) The variation between the initial stock (13,100) and the final stock (16,100) determines an increase of 3,000 euros at the end of the year compared to the beginning, that is, a positive variation that must appear as full income under the heading "Variation in stock (increase in final stock)". [\(Back\)](#)

(4) Of the amount recorded under "wages and salaries", 1,200 euros given to his spouse for work at the clinic during the month of July do not have such character, as the legal requirements for this were not met. These requirements relate specifically to the regularity and continuity of the work performed, as well as the existence of an employment contract and affiliation to the corresponding Social Security system. [\(Back\)](#)

(5) Purchases are listed in full as a deductible expense. However, to determine the radiological and medical material consumed in the year, this heading is completed with the "Valuation of stock" heading (which will appear as income when the value of the final stock is greater than the value of the initial stock and as an expense when the opposite occurs, that is, the valuation of the final stock is less than that of the initial stock).

For these purposes, it must be taken into account that to determine the radiological and medical material consumed in the exercise, the following operation must be carried out: 13,100 (initial stock) + 19,000 (purchases made) – 16,100 (final stock) = 16,000 euros (purchases consumed).

In this case, the variation in stock has been included as income (+3,000) and the purchases of materials as expenses (-19,000), which determines the difference in the material consumed (-16,000). [\(Back\)](#)

(6) The amortizations carried out correspond to the effective depreciation of the fixed assets, so their amount constitutes a tax-deductible expense. [\(Back\)](#)

(7) The following is deducted as an expense: IVAABBR supported because it is an activity exempt from this tax which does not give the right to deduct the input taxes. [\(Back\)](#)

(8) Although both the consulting room and the X-ray machine are considered to be affected assets, the sale of said assets gives rise to capital gains or losses that, as such, are not included in determining the net income from the economic activity. The quantification and taxation of capital gains derived from the transfer of affected assets is discussed in Chapter 11 "Capital gains and losses" of this Manual. [\(Back\)](#)

(9) As it is in the simplified direct estimation mode, you can deduct 5% of the positive net income in general (the positive difference between total income and other tax-deductible expenses) as deductible provisions and expenses that are difficult to justify, with a limit of 2,000 euros per year. In this case, you can deduct 2,000 euros if this amount exceeds 5% of your net income: 5% (138,400 – 78,300) = 3,005 euros. [\(Back\)](#)

(10) Since there are no returns with a generation period of more than two years or which are considered to be obtained in a notoriously irregular manner over time, the reduced net return from the activity coincides with the net return amounting to 61,400 euros. [\(Back\)](#)

(eleven) The total reduced net income coincides with the reduced net income amounting to 61,400 euros since it does not meet the requirements for the application of the reduction for the exercise of certain economic activities of article 32.2.1 of the Law of IRPFABBR which, where applicable, would have been incompatible with the 5 percent deduction (with a maximum amount of 2,000 euros) for all deductible provisions and expenses difficult to justify referred to in article 30.2.4 of the Law of IRPFABBR). It also does not meet the requirements to apply the reductions of article 32.2.3 and 32.3 of the Law of IRPFABBR. [\(Back\)](#)

Chapter 8. Returns from economic activities in objective estimation (I) (Activities other than agricultural, livestock and forestry)

The Tax Agency's electronic headquarters includes a "[Virtual Income Assistant](#)", where you can find out how to calculate the income derived from your economic activity, other than agriculture, livestock or forestry, using the objective estimation method ("modules"), including information on accessory activities and the concepts that increase and decrease the result of the activity.

Concept and scope of application

Regulations: Articles 16. 2 b), 31 and thirty-sixth additional and thirty-second transitional provisions of the Law IRPFABBR; 32 and ff . Regulation IRPFABBR and Order HAC/1347/2024, of November 28 (BOE November 30th)

The objective estimation method for determining the net performance of economic activities other than agriculture, livestock and forestry has as its main characteristic that it does not take into account the real flows of income and expenses produced in the development of the activity. Instead, certain objective indicators are applied that represent the basic structural economic characteristics of each sector of economic activity (signs, indices or modules), which are previously approved by Order of the Minister of Finance (currently Minister of Finance).

Economic activities carried out directly by individuals

Circumstances that must occur for the application of the objective estimation method

The objective estimation method is applicable in 2025 to economic activities, excluding agricultural, livestock and forestry activities, which are discussed in the following Chapter, carried out directly by natural persons, in which the following circumstances exist:

1. These are activities included in the list contained in the Order HAC/1347/2024, of November 28 (BOE of November 30), which is reproduced below.

2. That the taxpayer holding the activity has not expressly or tacitly renounced the application of the objective estimation method or the special regimes: simplified and agriculture, livestock and fishing of the Value Added Tax (IVAABBR) or simplified and agriculture and livestock of the Canary Islands General Indirect Tax (IGIC).
3. That the taxpayer does not incur any cause for exclusion from the objective estimation method.

Each of these circumstances is examined in the following sections.

1. Activities included in the list contained in Order HAC/1347/2024, of November 28

See the section "[Activities included in the 2025 fiscal year under the objective estimation method](#)" of this Chapter.

2. Waiver of the application of the objective estimation regime and the special simplified regime of VAT or IGIC

Express resignation

Regulations: Articles 33.1 a) and 4 Regulation IRPFABBR.

See also art. 5 Order HAC/1347/2024, of November 28 (BOE November 30th), Transitional Provision Two Royal Decree-Law 8/2023, of December 27 (BOE of December 28), and art. 12 Royal Decree-Law 7/2024, of November 11 (BOE November 12th)

- The express waiver of both the objective estimation method and the simplified special regimes and those for agriculture, livestock and fishing of IVAABBR or simplified and of agriculture and livestock of IGICAs a general rule, it must be carried out by submitting the census declaration in the month of December prior to the start of the calendar year in which it is to take effect.

Thus, taxpayers who carry out activities to which the objective estimation method applies and wish to waive it for the year 2025, will have from December 1 to 31, 2024 to exercise this option.

- Exceptionally, personal income tax (IRPF) taxpayers who carry out economic activities in the municipalities listed in the annex to Royal Decree-Law 6/2024, of November 5, which adopts urgent measures to respond to the damage caused by the Isolated Depression at High Levels (DANA) in different municipalities between October 28 and November 4, 2024, and who had been determining their net income in the 2024 tax year using the objective estimation method, but had waived its application in said 2024 tax year during the month of December of that year or by submitting, within the regulatory period, the declaration corresponding to the quarterly payment for the fourth quarter of 2024 in the manner provided for the direct estimation method, may again apply said objective estimation regime in the 2025 or 2026 tax years, provided that they meet the requirements

for its application, revoking the previous waiver during the month of December 2024 or 2025, or by submitting on time the declaration corresponding to the installment payment for the first quarter of the year 2025 or 2026, as appropriate, in the manner provided for the objective estimation method. That is, the mandatory three-year link for waiving the objective estimation method is eliminated.

It is also recalled that those affected taxpayers who, in the 2024 tax year, opted to be taxed by the direct estimation method as a result of this exceptional measure, determined the net income of their activity in accordance with the simplified form of said method, and must comply with the formal obligations corresponding to said tax period provided for in sections 6 and 7 of article 68 of the Regulation applicable to taxpayers who carry out their activities by the objective estimation method.

- **In the event of starting business activity**, the waiver will be made when the tax register declaration for the start of activity is filed.

The resignation must be submitted using form 036 of census declaration of registration, modification and deregistration in the Census of entrepreneurs, professionals and withholding agents. From February 3, 2025, as a result of the development of new census assistance tools and the improvement in completion assistance programs, the simplified census declaration (model 037) is eliminated, as it is understood that the simplification that this model represented in the presentation of census declarations of registration, deregistration and modification in the census of entrepreneurs, professionals and withholding agents, can be offered through model 036 itself. See the Order for these purposes HAC/1526/2024, of December 11 (BOE January 9).

Tacit resignation

Regulations: Art. 33.1 b) Regulation IRPFABBR.

See also art. 5 Order HAC/1347/2024, of November 28 (BOE November 30th)

The objective estimation method is deemed to have been waived by submitting within the statutory period (until April 20) the declaration corresponding to the fractional payment of the first quarter of the calendar year in which it must take effect in the manner provided for the direct estimation method.

In the case of starting business activity, the waiver will be understood to have been made when the instalment payment is made corresponding to the first quarter of the financial year within the regulatory period and in the manner provided for the direct assessment method.

Consequences of resignation

Regulations: Articles 33.2 and 3 Regulation IRPFABBR and 12 Royal Decree-Law 7/2024, of November 11 (BOE November 12th)

The waiver of the objective estimation method in relation to any activity gives rise, for the purposes of IRPFABBR, that the taxpayer is subject to the direct estimation method, in the modality that corresponds, for the determination of the net income of all the activities that he/she carries out, during a minimum period of three years.

DANA 2024: As an exception, taxpayers who in 2024 waived the objective estimation method as a result of the damage caused by the Isolated Depression at High Levels (DANA) in the municipalities listed in the Annex of Royal Decree-Law 6/2024, of November 5, may return to paying taxes in 2025 under the objective estimation method provided they meet the requirements for its application. This possibility is recognized in Article 12 of Royal Decree-Law 7/2024, and allows the revocation of the resignation made in 2024, without the general three-year mandatory commitment period being applicable.

After this period, it will be understood to be tacitly extended for each of the following years in which the objective estimation method may be applicable, unless a formal procedure is followed to **revocation of resignation** in the month of December prior to the start of the calendar year in which it is to take effect or exceptionally for 2025, within the extended period indicated above.

In any case, if in the year immediately preceding the year in which the waiver of the objective estimation method must take effect, the limits determining its scope of application are exceeded, said waiver will be deemed not to have been submitted.

3. Causes for exclusion from the objective estimation method

Regulations: Transitional provision thirty-second Law IRPFABBR and art. 32.2 Regulation IRPFABBR

3.1 Exclusive quantitative limits

Note: Royal Decree-Law 16/2025, of December 23 (BOE of December 24), has modified, with effect from January 1, 2025, the thirty-second transitional provision of the Law of IRPFABBR, to extend to the tax periods 2025 and 2026 the application of the same exclusionary quantitative limits set for the fiscal years 2016 to 2024: both those relating to the volume of gross income in the immediately preceding year derived from the exercise of economic activities (250,000 euros for all economic activities, except for agricultural, livestock and forestry activities and 125,000 euros for operations for which there is an obligation to issue an invoice when the recipient is a businessman) and to the volume of purchases of goods and services (250,000 euros, excluding the acquisition of fixed assets, for all activities in objective estimation - also including agricultural, livestock and forestry activities).

The following quantitative limits constitute causes for exclusion from the objective estimation method:

A. To have achieved in the previous year (2024), a volume of gross returns derived from the exercise of economic activities **that exceeds the following amounts:**

Regulations: Thirty-second transitional provision of the Law IRPFABBR and art. 32.2 a) Regulation IRPFABBR

- **250,000 euros per year** , considering all operations carried out by the taxpayer, except agricultural, livestock and forestry operations

For these purposes, all transactions will be taken into account regardless of the recipient thereof, that is, whether or not there is an obligation to issue an invoice in accordance with the provisions of the Regulation governing invoicing obligations, approved by Royal Decree 1619/2012, of November 30.

For this calculation, the volume of income from agricultural, livestock and forestry activities is not taken into account.

- **125,000 euros per year** , when it corresponds to operations for which they are obliged to issue an invoice as the recipient is a businessman or professional acting as such in accordance with the provisions of article 2.2.a) of the Regulation governing invoicing obligations.

Article 2.2.a) of the Regulation governing invoicing obligations establishes that an invoice and a copy thereof must be issued in all cases for the following operations: "a) Those in which the recipient is a business owner or professional acting as such, regardless of the tax regime to which the business owner or professional carrying out the transaction is subject, as well as any others in which the recipient so requires for the exercise of any right of a tax nature."

When an activity was started in the immediately preceding year, the volume of income will be increased to the year.

In no case will current or capital subsidies or compensation be computed, nor will the Value Added Tax and, where applicable, the equivalence surcharge levied on the operation, for those activities that are taxed under the simplified regime of the Value Added Tax.

Precision: As a general rule, the magnitude of the objective estimation method's revenue volume will be assessed independently by each taxpayer carrying out the activity.

B. To have exceeded in the previous year (2024) the volume of purchases of goods and services the amount of 250,000 euros per year excluding acquisitions of fixed assets.**Regulations: Art. 32.2 b) Regulation IRPFABBR.**

Attention: To determine this limit, the volume of purchases from agricultural, livestock and forestry activities is also taken into account.

In the case of subcontracted works or services, the amount thereof will be taken into account for the calculation of this limit.

When an activity had been started in the immediately preceding year, the volume of purchases will increase yearly.

Rules for determining the volume of gross returns and purchases

In order to determine the volume of gross income and the volume of purchases of goods and services mentioned above, not only the operations corresponding to the economic activities carried out by the taxpayer must be taken into account, but also those corresponding to those carried out by the spouse, descendants and ascendants, as well as by entities under the income attribution regime in which any of the above participate, in which the following circumstances occur:

- **That economic activities are identical or similar.**

For these purposes, economic activities classified in the same group in the Tax on Economic Activities will be deemed to be identical or similar.

- **That there exists a common direction for such activities, sharing personal or material resources.**

In the case of transactions carried out with related entities, under the terms set forth in article 18 of the LIS, they must be valued imperatively at their normal market value, understood as the value that would have been agreed upon by independent persons or entities under conditions of free competition.

Regarding the LIS see Law 27/2014, of November 27, on Corporate Tax.

In these cases, the taxpayer must comply with the documentation obligations for said operations under the terms and conditions established in articles 13 to 16, Chapter V ("Information and documentation on related entities and operations") of Title I of the Corporate Tax Regulations, approved by Royal Decree 634/2015, of July 10 (BOE of July 11).

3.2 Other causes of exclusion from the objective estimation method

- a. **Develop economic activity, totally or partially, outside of Spanish territory**

Regulations: Art. 32.2 c) Regulation IRPFABBR.

See also art. 3.2 Order HAC/1347/2024, of November 28 (BOE November 30th).

For these purposes, it shall be understood that the activities of urban collective and passenger transport by road, transport by taxi, transport of goods by road and removal services are carried out, in any case, within Spanish territory.

- b. **Having exceeded the maximum specific magnitude during the previous year (2024)** (number of people employed or vehicles or trays used) established for each activity in article 3.1. d) of the Order HAC/1347/2024, of November 28 (BOE of November 30), which are collected in the [list of activities](#) which is reproduced in this Chapter.

Regulations: Art. 34.1 Regulation IRPFABBR.

In the first year of carrying out the activity, only the number of people employed, vehicles used or trailers used on the day the activity begins will be taken into account for these purposes.

Not only the specific magnitude corresponding to the activity carried out by the taxpayer must be computed, but also those corresponding to those carried out by the spouse, descendants and ascendants, as well as the entities under the income attribution regime in which any of the above persons participate, when the circumstances indicated above in the "Rules for determining the volume of gross and purchase income" occur.

Important: For the purposes of applying the objective estimation method, each of the activities listed below is considered an independent activity, regardless of whether the activity is carried out in one or more premises or corresponds to one or more groups or headings of the Tax on Economic Activities (IAE) (Art. 38.1 Regulations IRPFABBR).

c. Determine the net performance of some economic activity in the direct estimation method, in any of its two modalities

Regulations: Articles 34.2 and 35 Regulation IRPFABBR.

See also art. 3.1 Order HAC/1347/2024, of November 28 (BOE of November 30).

The regulations governing the IRPFABBR It establishes as a general principle the incompatibility of objective estimation with direct estimation. In accordance with this principle, taxpayers who determine the net income of any economic activity by the direct estimation method, in any of its modalities, are obliged to determine the net income of all their economic activities by said method, in the corresponding modality.

However, if during the year an activity is started that is not included or for which the objective estimation method is waived, the incompatibility will not take effect for that year with respect to the activities that were previously carried out, but rather from the following year.

d. The exclusion from the simplified special regime of IVAABBR or of the IGIC

Regulations: Articles 34.2 and 36 Regulation IRPFABBR.

Under the principle of coordination of the objective estimation method with Value Added Tax (IVAABBR) or with the Canary Islands General Indirect Tax (IGIC), the exclusion from the simplified special regime in the IVAABBR or in the IGIC (IGIC) implies the exclusion of the objective estimation method for all economic activities carried out by the taxpayer.

Consequences of the exclusion of the objective estimation method

Regulations: Art. 34.3 Regulations IRPFABBR

The exclusion of the objective estimation method for any of the circumstances mentioned above takes effect only in the year immediately following the year in which said circumstance occurs and will entail inclusion during the following three years in the scope of application of the simplified form of the direct estimation method, unless it is waived.

Important : *if the volume of gross income or purchases provided for in Article 32.2 of the Regulation is exceeded IRPFABBR The taxpayer will be excluded from the scope of the objective estimation method for all of his economic activities for at least the following three years, regardless of the type of activities carried out in these years.*

Economic activities carried out through entities under the income attribution regime

Regulations: Art. 39 Regulations IRPFABBR

The objective estimation method for determining the net income of economic activities carried out through [entities under the income attribution regime](#) will be applied regardless of the circumstances that occur individually in their partners, heirs, co-owners or participants, provided that, in addition to the general conditions indicated above for economic activities carried out directly by natural persons, the following requirements are met:

- **That all partners, heirs, joint owners or participants are natural persons who are taxpayers for the IRPFABBR.**
- **That the application of the objective estimation method has not been waived in a timely manner.**

The resignation must be formulated unanimously by all the partners, heirs, commoners or participants that make up the entity; However, the revocation of the resignation may be submitted by only one of them.

Important : *In order to define the scope of application of the objective estimation method to entities under the income attribution regime, not only the operations corresponding to the activities carried out by the entity itself must be computed, but also those corresponding to those carried out by its partners, heirs, commoners or participants, the spouses, descendants and ascendants of these, as well as by other entities under the attribution regime in which any of the above persons participate and in which the circumstances expressed in the rules for determining the volume of gross and purchase income concur.*

Likewise, not only the specific magnitude corresponding to the economic activity carried out by the entity itself under an attribution regime must be computed, but also those corresponding to those carried out by its partners, heirs, commoners or participants; the spouses, descendants and ascendants of these; as well as by other entities under an income attribution regime in which any of the above persons participate when the circumstances indicated in the rules for determining the volume of gross income and purchases occur.

Activities included in the 2025 fiscal year under the objective estimation method

List of activities with the indication of the Group or heading of the Tax on Economic Activities (IAE) that corresponds to it and the signs or modules provided for each activity

Group or heading of the Tax on Economic Activities (IAE)	Activity	Maximum magnitude
419.1	Bread and pastry industries	6 employees
419.2	Pastry, cake and biscuit industries	6 employees
419.3	Fried dough manufacturing industries	6 employees
423.9	Elaboration of fried potatoes, popcorn and things like that	6 employees
641	Retail trade of fruits, vegetables, greens and tubers	5 employees
642.1, 2, 3 and 4	Retail trade of meat and meat offal; of processed meat products and derivatives	5 employees
642.5	Retail trade of eggs, poultry, farm rabbits, game; and products derived from them	4 employees
642.6	Retail trade, in offal shops, of viscera and offal from farmed animals, fresh and frozen	5 employees
643.1 and 2	Retail trade of fish and other fishery and aquaculture products and snails	5 employees
644.1	Retail trade of bread, pastries, confectionery and similar products and of milk and dairy products	6 employees
644.2	Bread, special breads and cakes delivery	6 employees
644.3	Retail trade of pastry, cakes and confectionery products	6 employees
644.6	Retail trade of fried dough, with or without toppings or fillings, crisps, snack products, nuts, sweets, chocolate preparations and	6 employees
(*) Any day of the year.		

Group or heading of the Tax on Economic Activities (IAE)	Activity	Maximum magnitude
	soft drinks	
647.1	Retail trade of any kind of food and beverage products in establishments with a seller	5 employees
647.2 and 3	Retail trade of any kind of food products and beverages on a self-service or mixed basis in establishments whose sales area has a surface area of less than 400 square meters	4 employees
651.1	Retail trade of textile products, household goods, carpets and similar items and upholstery items	4 employees
651.2	Retail trade of all kinds of clothing and headgear	5 employees
651.3 and 5	Retail trade of lingerie, corsetry and special garments	3 employees
651.4	Retail trade of haberdashery and packaging items	4 employees
651.6	Retail trade of footwear, leather goods and imitation or substitute products, belts, wallets, bags, suitcases and travel items in general	5 employees
652.2 and 3	Retail trade of drugstore products, perfumery and cosmetics, cleaning products, paints, varnishes, solvents, papers and other products for decoration and chemical products, and articles for hygiene and personal care	4 employees
653.1	Retail furniture trade	4 employees
653.2	Retail trade of electrical and electronic equipment and devices, household appliances and other household appliances powered by energy other than electricity, as well as kitchen furniture	3 employees
653.3	Retail trade of household items, hardware, decorations, gifts or promotional items (including costume jewellery and small appliances)	4 employees
653.4 and 5	Retail trade of construction materials, sanitary items and furniture, doors, windows, blinds, etc.	3 employees
653.9	Retail trade of other household equipment items nec	3 employees
(*) Any day of the year.		

Group or heading of the Tax on Economic Activities (IAE)	Activity	Maximum magnitude
654.2	Retail trade of accessories and spare parts for land vehicles	4 employees
654.5	Retail trade of all kinds of machinery (except household, office, medical, orthopedic, optical and photographic equipment)	3 employees
654.6	Retail trade of covers, bands or bandages and air chambers for all types of vehicles	4 employees
659.2	Retail trade of office furniture and office machinery and equipment	4 employees
659.3	Retail trade of medical, orthopedic, optical and photographic equipment and instruments	3 employees
659.4	Retail trade of books, newspapers, stationery and office supplies and drawing and fine arts items, except in kiosks located on public roads	3 employees
659.4	Retail sale of newspapers, magazines and books in kiosks located on public roads	2 employees
659.6	Retail trade of toys, sporting goods, sports clothing, footwear and headgear, weapons, ammunition and fireworks	3 employees
659.7	Retail trade of seeds, fertilizers, flowers and plants and small animals	4 employees
662.2	Retail trade of all kinds of articles, including food and beverages, in establishments other than those specified in group 661 and in section 662.1	3 employees
663.1	Retail trade outside a permanent commercial establishment of food products, including beverages and ice cream	2 employees
663.2	Retail trade outside a permanent commercial establishment of textile and clothing articles	2 employees
663.3	Retail trade outside a permanent commercial establishment of footwear, skins and leather goods	2 employees
663.4	Retail trade outside a permanent commercial establishment of drugstore and cosmetic items and chemical products in general	2 employees
(*) Any day of the year.		

Group or heading of the Tax on Economic Activities (IAE)	Activity	Maximum magnitude
663.9	Retail trade outside a permanent commercial establishment of other kinds of goods nec	2 employees
671.4	Two-fork restaurants	10 employees
671.5	One-fork restaurants	10 employees
672.1, 2 and 3	Coffee shops	8 employees
673.1	Special category cafes and bars	8 employees
673.2	Other cafes and bars	8 employees
675	Services in kiosks, boxes, barracks or other similar premises	3 employees
676	Services in chocolate shops, ice cream parlors and horchaterias	3 employees
681	Accommodation service in one or two star hotels and motels	10 employees
682	Accommodation service in hostels and guest houses	8 employees
683	Accommodation service in boarding houses and guests	8 employees
691.1	Repair of home electrical devices	3 employees
691.2	Repair of motor vehicles, bicycles and other vehicles	5 employees
691.9	Shoe repair	2 employees
691.9	Repair of other consumer goods nec (except shoe repair, restoration of works of art, furniture, antiques and musical instruments)	2 employees
692	Industrial machinery repair	2 employees
699	Other repairs nec	2 employees
721.1 and 3	Urban transport by bus and for travellers by highway	5 vehicles 
721.2	Transport by taxis	3 vehicles 
(*) Any day of the year.		

Group or heading of the Tax on Economic Activities (IAE)	Activity	Maximum magnitude
722	Goods transport by road	4 vehicles 
751.5	Greasing and car wash	5 employees
757	Moving services	4 vehicles 
849.5	Transport of couriers and errands, when the activity is carried out exclusively with own means of transport	5 vehicles 
933.1	Teaching driving of land, water, aeronautical vehicles, etc.	4 employees
933.9	Other teaching activities, such as languages, dressmaking, typing, shorthand, exam preparation and similar nec	5 employees
967.2	schools and services of sport perfecting	3 employees
971.1	Dyeing, dry cleaning, washing and ironing of ready-made clothes and used household items and clothing	4 employees
972.1	Services of hairdresser for women and men	6 employees
972.2	Beauty salons and institutes	6 employees
973.3	Document copying services with photocopy machines	4 employees
(*) Any day of the year.		

Independent activities and accessory operations

Regulations: Art. 38 Regulations IRPFABBR

For the purposes of the objective estimation method, the following are considered economic activities **independent** each of those specifically listed in the Order HAC/1347/2024, of November 28 (BOE of November 30) which regulates this method for the year 2025.

The determination of the economic operations included in each activity related to the [previous point of this section](#) must be carried out in accordance with the regulations of the Tax on Economic Activities (IAE) to the extent that they are applicable.

See in this regard Royal Legislative Decree 1175/1990, of September 28, approving the rates and instructions for the Tax on Economic Activities (BOE of September 29).

Likewise, each activity will include economic operations that are carried out on **accessory** to the main activity.

For these purposes, an activity that is considered accessory to the main activity is one whose income volume does not exceed 40% of the volume corresponding to the main activity.

Finally, it should be noted that in order to calculate the maximum magnitude of exclusion, the persons employed or vehicles or boats used for the development of the main activity and any accessory activity included in the objective estimation method must be taken into account.

The ancillary economic activities that are understood to be included in each of the activities included in the objective estimation method are indicated in the "Note" section within the [Appendix](#) "Annual returns per module unit before amortization applicable in the year 2025", which is reproduced in this same Chapter.

Rules for computing the maximum magnitude of exclusion

General rules

Regulations: See art.3.1. d) Order HAC/1347/2024, of November 28 (BOE of November 30).

In order to determine for each activity whether the magnitude corresponding to it exceeds or not the maximum amounts indicated in the previous list, the following particularities must be taken into account:

a. The amount "employees " shall include all persons, whether salaried or non-salaried, who are effectively employed in the principal activity and in any other accessory activity included in the scheme. Its amount shall be determined by the weighted average corresponding to the period in which the activity was carried out during the immediately preceding year.

To determine the weighted average, the following rules will be applied exclusively:

- Only the number of hours worked during the period in which the activity was carried out during the immediately preceding year will be taken into account.
- A non-salaried person ## , who works in the activity for at least 1,800 hours/year. When the number of hours worked per year is less than 1,800, the amount of the non-salaried person will be estimated as the proportion existing between the number of hours actually worked in the year and 1,800.

However, the entrepreneur will be counted as a non-salaried person. In cases where it can be proven that less than 1,800 hours/year have been dedicated due to objective reasons, such as retirement, disability, multiple activities or temporary closure of the operation, the actual time dedicated to the activity will be counted. In these cases, for the quantification of the tasks of management, organization and planning of the activity and, in general, those inherent to the ownership of the same, the entrepreneur will be computed at 0.25 persons/year, except when a higher or lower effective dedication is accredited.

- A person will be considered a salaried employee if he or she works the number of annual hours per worker established in the corresponding collective agreement or, failing that, 1,800 hours/year. When the number of hours worked per year is lower or higher, the

amount of the salaried person will be estimated as the proportion existing between the number of hours actually worked and those established in the collective agreement or, failing that, 1,800.

b. The magnitude “vehicles” refers to the maximum number of vehicles used on any day of the year for the development of the main activity and any other ancillary activity included in the method.

***Important** : In the first year of carrying out the activity, the number of people employed or vehicles or trailers at the start of the activity will be taken into account.*

When the maximum magnitude is exceeded in any activity in a calendar year, taxpayer **will be excluded, starting from the immediately following year**, from the objective estimation method, and must determine its net income using the direct estimation method, simplified modality, provided that the requirements established for said modality are met and its application is not waived, in which case the normal modality of said method will be applicable.

The requirements established for the application of the simplified form of the direct estimation method, and the effects of waiving it, are discussed in [Chapter 7](#).

Special rules

In order to determine the magnitudes excluded from the objective estimation method, not only the specific magnitude corresponding to the economic activities carried out by the taxpayer must be computed, but also those corresponding to those carried out by the spouse, descendants and ascendants, as well as by the entities under the income attribution regime in which any of the above participate, in which the following circumstances occur:

a. That the economic activities developed are identical or similar .

For these purposes, economic activities classified in the same group in the Tax on Economic Activities will be deemed to be identical or similar.

b. That there is a common direction for such activities, sharing personal or material means .

In the case of entities under an income attribution regime not only the specific magnitude corresponding to the economic activity carried out by the entity itself under an attribution regime must be computed, but also those corresponding to those carried out by its partners, heirs, commoners or participants; the spouses, descendants and ascendants of these; as well as by other entities under an income attribution regime in which any of the above persons participate, in which the circumstances indicated above occur.

Determination of reduced net income

Introduction: scheme

Normative; See Annex II and instructions of the Order HAC/1347/2024, of November 28 (BOE of November 30).

In the objective estimation method, the operations necessary to determine the net income, if applicable, reduced, are carried out in an isolated and separate manner for each activity that is considered independent, even if the same taxpayer carries out several to which said method is applicable.

For 2025, the determination of the annual reduced net income corresponding to each activity is carried out, once the year has elapsed, through the successive operations indicated in the following scheme:

Phase 1:

MODULE UNITS USED, UTILIZED OR INSTALLED

(x) ANNUAL YIELD PER MODULE UNIT (before amortization)

= PREVIOUS NET YIELD

Phase 2

(-) MINORATION FOR EMPLOYMENT INCENTIVES

(-) MINORATION FOR INVESTMENT INCENTIVES

= REDUCED NET INCOME

Phase 3

(x) CORRECTION INDEXES (depending on the activity and certain circumstances)

= NET YIELD OF MODULES

Phase 4

(-) GENERAL REDUCTION: 5 PER 100

(-) REIMBURSEMENT OF GRANTS

(-) EXTRAORDINARY EXPENSES DUE TO EXCEPTIONAL CIRCUMSTANCES (Fires, floods, subsidence, etc., reported to the AEAT in a timely manner)

(+) OTHER BUSINESS PERCEPTIONS

= NET INCOME FROM THE ACTIVITY

Phase 5

(-) REDUCTION DUE TO IRREGULARITY [\(*\)](#) : 30%

= REDUCED NET PERFORMANCE OF THE ACTIVITY

(*) Applicable only with respect to the "Other business income" component with a generation period of more than two years or which are classified by regulation as having been obtained in a notoriously irregular manner over time. [\(Back\)](#)

Phase 1: Determination of prior net performance

Regulations: See Annex II and instruction 2.1 of the aforementioned Annex II Order HAC/1347/2024, of November 28 (BOE November 30th)

The net prior performance of the activity is constituted by the sum of the products obtained by multiplying the number of units employed, used or installed in the activity of each of the modules, by the annual performance before amortization assigned to each module unit.

The annual returns per module unit before amortization applicable in 2025 to each of the activities included in the objective estimation method are reproduced as [appendix](#) at the end of this chapter.

Therefore, in determining the prior net return, the following must be taken into account:

1. Quantification of the number of units employed, used or installed in the activity of the different signs or modules

The first operation that must be carried out to determine the previous net performance consists of quantifying the number of units used, utilized or installed of each of the modules established for each activity that is considered independent.

The Order HAC/1347/2024, of November 28 (BOE of November 30), establishes in its Annex II in section 2.1 of its Instructions the rules for quantifying the number of units of the different signs or modules that we will examine below.

Rules for calculating modules

Regulations: Instruction 7 for the application of signs, indices or modules in the IRPFABBR of Annex II Order HAC/1347/2024, of November 28 (BOE of November 30).

The Order that develops the objective estimation method establishes a series of rules that the taxpayer must apply to calculate the average of the signs, indexes or modules relating to the entire period in which the activity has been carried out during said calendar year for the calculation of the corresponding net income, when any of the following circumstances occur during the year:

- Start of activity after January 1 of the calendar year.
- Cessation of activity before December 31 of the calendar year.
- Discontinuous exercise of the activity (without vacation periods being considered as such).
- There have been variations during the year in the amount of the variables or modules corresponding to the activity.

The calculation of the average of the signs, indices or modules is determined:

- a. In the **modules “salaried personnel” and “non-salaried personnel”** depending on the hours worked.

- b. In the “**distance traveled**” and “**electrical energy consumption**” **modules** the kilometers traveled or the kilowatts/hour consumed will be taken into account, respectively.
- c. **In the remaining cases** , depending on the days of actual employment, use or installation, taking into account that these include normal days of rest and vacation, since the amounts set in the Order are annual.
- d. When the calculated average does not result in a whole number, it will be expressed with **two decimal places** .

Modules common to several activities : When there is partial use of a module in the activity or sector of activity, the value to be computed will be the result of its apportionment based on its effective use. If it is not possible to determine this, it will be allocated equally to each of the uses of the module.

"Non-salaried staff" module

Regulations: Instruction 2.1.1 for the application of signs, indices or modules in the IRPFABBR of Annex II Order HAC/1347/2024, of November 28 (BOE of November 30).

Non-salaried staff is the **employer** .

Also considered as such are his **spouse and minor children living with him/her** , when, while actually working in the activity, they do not constitute salaried personnel because they do not meet any of the following **requirements** :

- That they work regularly and continuously in business activity.
- That the corresponding employment contract exists.
- That they are affiliated with the general Social Security regime.

Rules for calculating the "Non-salaried personnel" module

A. General rules

a. **Businessman:**

The employer will be counted as a non-salaried person. In cases where it can be proven that less than 1,800 hours/year have been dedicated due to objective reasons, such as retirement, disability, multiple activities or temporary closure of the operation, the actual time dedicated to the activity will be counted.

In these cases, for the quantification of the tasks of management, organization and planning of the activity and, in general, those inherent to the ownership of the same, the **owner of the activity will be computed at 0.25 people/year** , except when a higher or lower effective dedication is accredited.

In the case of carrying out a seasonal economic activity, the calculation of the non-salaried personnel module will be carried out based on the hours dedicated to the activity, which must include those dedicated to the tasks of management, organization and planning of the activity and, in general, those inherent to the ownership of the same, which must at least be valued in the proportional part corresponding to 0.25 person/year and the time period in which the activity is carried out.

b. Spouse and minor children of the entrepreneur:

The spouse and minor children of the activity holder who live with him/her will be counted as non-salaried persons when they work in the activity for at least 1,800 hours/year.

When the number of hours worked per year is less than 1,800, the amount of the non-salaried person will be estimated as the proportion existing between the number of hours actually worked in the year and 1,800.

The number of units of the "non-salaried personnel" module **will be expressed with two decimal places.**

Important: *Non-salaried staff with a disability level equal to or greater than 33% will be counted at 75%. For these purposes, the situation existing on the date the tax is due (normally, December 31) will be taken into consideration.*

B. Special rule for calculating the spouse and minor children of the entrepreneur

When the spouse or minor children of the entrepreneur are considered non-employees, **will be counted at 50%**, provided that the owner of the activity is counted in full, before applying, where applicable, the reduction provided for people with disabilities mentioned above, and there is no more than one salaried person.

For the purposes of calculating 50 percent of the non-salaried personal module for the spouse and minor children when the holder is fully accounted for and there is no more than one salaried person in the objective estimation method of IRPFABBR The magnitude consisting of a maximum of 1 worker must be computed based on the **number of annual hours** prorated per worker as established in the corresponding collective agreement. Criteria applied as a consequence of the doctrine set by the Supreme Court Judgment number 1667/2023, of December 13, of the Second Section of the Administrative Litigation Chamber, issued in the appeal for cassation no. 2702/2022 (ROJ: STS 5697/2023) in relation to the calculation of the corrective index 0.90 of small-sized companies.

The 50% reduction will be applied after having applied, where applicable, the corresponding reduction for a degree of disability equal to or greater than 33%.

Example: Determination of the number of units of the "non-salaried personnel" module employed in the activity

Mr RGC, who has a recognised disability of 33%, owns a bar where only he and his wife work, and both are registered with the Social Security self-employed workers' scheme.

In addition, he dedicates part of the day (in 2025, 409 hours) to his work as a caretaker of the adjacent property.

Determine the units of the "non-salaried personnel" module employed in the activity in the year 2025.

Solution:

Since the requirement for the spouse of the owner of the activity to be affiliated to the general Social Security regime is not met, he or she is considered "non-salaried personnel".

"Non-salaried personnel" module:

- a. **Hours not worked:** 409 hours
- b. **Hours worked by the policyholder and his/her spouse:** $1,800 - 409 = 1,391$ hours each.
- c. **Computable hours:**

- Title : 75% s/ $1,391$ hours = $1,043$ hours
- Spouse: $1,391$ hours
- Total Computable Hours: $1,043 + 1,391 = 2,434$ hours

Notes:

Headline: The closure of the activity as a result of the existence of this objective circumstance (employment as a janitor for the owner) is considered an objective cause that allows for proof of a dedication of less than 1,800 hours/year. In this case, the effective time dedicated to the activity is 1,391 hours, of which 75% will be computed since the taxpayer has a disability level of 33%.

Spouse: Since the activity holder is not fully counted (because the number of working hours per year is less than 1,800 hours) for an objective reason, the spouse is not entitled to the 50 percent reduction provided for in instruction 2.1.1 of Annex II of the Order HAC/1347/2024, of November 28.

- d. **Calculation No. of units (average):**

$$2,434 \text{ hours} \div 1,800 \text{ hours/year} = \mathbf{1.35 \text{ person}}$$

"Salaried Personnel" module

Regulations: Instruction 2.1.2 for the application of signs, indices or modules in the IRPFABBR of Annex II Order HAC/1347/2024, of November 28 (BOE of November 30).

The following are considered salaried personnel:

- a. People who work in the activity and do not have the status of non-salaried personnel, including, where applicable, workers hired through Temporary Employment Agencies (ETT).
- b. The spouse and minor children of the activity holder who live with him, provided that, with the appropriate employment contract and affiliation to the general Social Security regime, they work regularly and continuously in the economic activity carried out by the taxpayer.

Important: *Students of specific vocational training who complete the compulsory training module in workplaces will not be counted as salaried persons. Unlike the previous ones, staff hired as interns must be counted as salaried staff.*

Rules for calculating the "Salaried Personnel" module

The number of units of the "salaried personnel" module is determined by applying the following rules:

1. General rule

- a. **If there is a collective agreement** , the person who works the number of annual hours per worker that has been set out in said agreement will be counted as an employee.
- b. **If there is no collective agreement** , it will be estimated that one salaried person is equivalent to 1,800 hours/year.

When the number of hours is **less or more** than the number indicated, the amount of the salaried person will be estimated as the proportion between the number of hours actually worked and those established in the collective agreement or, failing that, 1,800 hours.

The number of units of the "salaried personnel" module **will be expressed with two decimals** .

ERTE : *It should be noted that, to the extent that the "salaried personnel" module is quantified based on the number of hours actually worked annually by each worker in the activity, when a temporary employment regulation file is approved (ERTE) the annual hours worked by salaried personnel must be quantified based on the conditions in which each of them is in the ERTE , counting only the hours of effective work. Therefore, the hours that correspond to the time in which the employment contract is temporarily suspended (ERTE suspension of the employment contract) or, where appropriate, the hours that are subject to temporary reduction (ERTE reduction of working hours) will NOT be counted.*

2. Salaried personnel under 19 years of age and those providing their services under an apprenticeship or training contract will be counted at 60%.

3. Salaried personnel who are persons with a degree of disability equal to or greater than 33% will be counted at 40%.

In these last two cases, when a salaried person turns 19 years old or is recognized as having a disability of 33% or more during the tax period, the calculation of 60% or, where appropriate, 40% will be made only **with respect to the part of the period in which any of these circumstances occur** .

Important: *The 60% and 40% reductions discussed above are incompatible with each other.*

4. In the activities where this is indicated, the "salaried personnel" module is broken down into two:

- Salaried manufacturing personnel.
- Other salaried staff.

In these cases, the calculation of each of the two modules mentioned must be carried out independently. When the same worker performs manufacturing and other tasks, the number of units to be computed in each of these modules will be determined based on the number of effective hours of work in each task. If it is not possible to determine this number, the total will be allocated equally to each of these modules.

Example: Determination of the number of units of the "salaried personnel" module used in the activity

Mr. ACM is the owner of a retail establishment selling food and beverage products, section 647.1 of the IAE , which has been determining the net income of its activity using the objective estimation method.

Since 2004, in addition to the owner, two permanent employees over the age of 19 have worked full-time at the establishment.

In the year 2025, the following changes have occurred in the company's workforce:

- On January 1, two people over 19 years of age were hired as full-time apprentices for a period of 6 months, each working a total of 900 hours per year.
- On May 2, a person with a disability of 33% was hired for an indefinite period and full-time, totaling 1,100 hours per year.

Determine the number of units of the "non-salaried personnel" and "salaried personnel" modules corresponding to the year 2025, assuming that the number of annual hours established in the corresponding collective agreement is 1,800 hours/year.

Solution:

"Non-salaried personnel" module:

Activity owner: 1.00 person

Total: 1.00 person

"Salaried personnel" module:

2 people employed all year round: 2.00 people

2 apprentices (60% s/2 x 900/1800): 0.60 people

1 person with a disability level of 33% (40% s/1,100/1,800): 0.24 people

Total: 2.84 people

"Surface area of the premises" module

Regulations: Instruction 2.1.3 and 4 for the application of signs, indices or modules in the IRPFABBR of Annex II Order HAC/1347/2024, of November 28 (BOE of November 30).

For the purposes of applying the module, premises are understood to be constructions, buildings or installations, as well as surfaces, covered or uncovered, open or not to the public, that are used for the development of the activity.

The unit of the "Premises area" module is the square meter (m²).

The surface area of the premises will be taken as defined in Rule 14.1.F, letters a), b), c) and h), of the Instruction for the application of the Rates of the Tax on Economic Activities (IAE), approved by Royal Legislative Decree 1175/1990, dated September 28 (BOE of September 29 and October 1 and 2), as well as in the fourth Additional Provision, letter f), of Law 51/2002, of December 27, reforming Law 39/1998, of December 28, Regulating Local Finance (BOE of December 28).

In the activities where this is indicated, within the surface area of the premises it will be necessary to distinguish and determine separately one or several of the following modules:

- Independent local surface.
- Non-independent local surface.
- Surface area of the manufacturing premises.

The unit of each of these modules is also the square meter (m²).

Definitions

It is understood by:

- **Independent premises**

The one that has a sales room for serving the public. Premises that are subject to taxation as provided in Rule 14.1.F, letter h), of the Instruction for the application of the rates of the IAE, approved by Royal Legislative Decree 1175/1990, of September 28.

- **Non-independent premises**

Those who do not have their own sales room for serving the public because they are located inside another establishment, shopping gallery or market.

- **Manufacturing location**

The premises, or part thereof, dedicated to carrying out manufacturing operations.

"Electricity consumption" module

Regulations: Instruction 2.1.5 for the application of signs, indices or modules in the IRPFABBR of Annex II Order HAC/1347/2024, of November 28 (BOE of November 30).

Electricity consumption is understood to be that billed by the supplying company, the unit of which is 100 kilowatts per hour (kWh). When the bill distinguishes between "active" and "reactive" energy, only the former will be counted.

"Electrical power" module

Regulations: Instruction 2.1.6 for the application of signs, indices or modules in the IRPFABBR of Annex II Order HAC/1347/2024, of November 28 (BOE of November 30).

Electrical power is understood to be the power contracted with the energy supply company, the unit of which is the contracted kilowatt (kW).

"Oven surface" module

Regulations: Instruction 2.1.7 for the application of signs, indices or modules in the IRPFABBR of Annex II Order HAC/1347/2024, of November 28 (BOE of November 30).

The surface area of the oven shall be understood as that which corresponds to its technical characteristics. The unit of the module "furnace surface" is 100 square decimeters (dm²).

"Tables" module

Regulations: Instruction 2.1.8 for the application of signs, indices or modules in the IRPFABBR of Annex II Order HAC/1347/2024, of November 28 (BOE of November 30).

In bars and cafes, as well as in restaurants, the unit "table" shall be understood as referring to one that can be occupied by four people. Tables with a higher or lower capacity will increase or reduce the module size accordingly.

Tables that are used only during certain periods of the year . The number of units of the "tables" module will be determined in proportion to the duration of the period, computed in days, during which the tables have been used throughout the year.

Boards that are occasionally used as tables . One unit of the "tables" module will be counted for every four people likely to occupy the tables. Once the number of units has been determined according to this criterion, it will be prorated based on the period, calculated in days, of use of the boards during the year.

Bars adapted to serve meals . These bars will not be counted for the purposes of determining the number of units in the "tables" module.

Module "Number of inhabitants"

Regulations: Instruction 2.1.9 for the application of signs, indices or modules in the IRPFABBR of Annex II Order HAC/1347/2024, of November 28 (BOE of November 30).

The number of inhabitants will be that of the legal population of the municipality, made up of the total number of residents registered in the Municipal Register of Inhabitants, present and absent. Resident status is acquired at the time of such registration.

"Vehicle Loading" module

Regulations: Instruction 2.1.10 for the application of signs, indices or modules in the IRPFABBR of Annex II Order HAC/1347/2024, of November 28 (BOE of November 30).

The load capacity of a **vehicle or set of** vehicles will be equal to the difference between the maximum total authorized mass determined taking into account any administrative limitations, which may be indicated on the Technical Inspection Cards, with a limit of 40 tonnes, and the sum of the tare weights corresponding to the carrying vehicles (empty weight of the truck, trailer, semi-trailer and tractor head), expressed, as appropriate, in kilograms or tonnes, the latter with two decimal places.

In the case of tractor units using different semi-trailers , their tare weight will be assessed at a maximum of eight tonnes.

When transport is carried out exclusively with containers, the tare weight of these will be assessed at three tons.

"Places" module

Regulations: Instruction 2.1.11 for the application of signs, indices or modules in the IRPFABBR of Annex II Order HAC/1347/2024, of November 28 (BOE of November 30).

In the case of accommodation service activities, "places" shall be understood as the number of accommodation capacity units of the establishment.

"Seats" module

Regulations: Instruction 2.1.12 for the application of signs, indices or modules in the IRPFABBR of Annex II Order HAC/1347/2024, of November 28 (BOE of November 30).

In the activities of **urban collective transport and road passenger transport** , "seats" shall be understood as the number of units that appears on the Technical Inspection Card of the vehicle, excluding the driver and guide.

Vehicles specifically adapted for **school transport**. The calculation of the seating module units of these vehicles must be carried out by the equivalent number of adult seats. For these purposes, every three seats for children under 14 years of age will be considered equivalent to two adult seats.

Module "Recreational machines"

Regulations: Instruction 2.1.13 for the application of signs, indices or modules in the IRPFABBR of Annex II Order HAC/1347/2024, of November 28 (BOE of November 30).

Only the installed recreational machines **that are not the property** of the activity owner will be counted.

This magnitude comprises two modules: type "A" machines and type "B" machines in accordance with the provisions of articles 4 and 5, respectively, of the Regulation of Recreational and Gambling Machines, approved by Royal Decree 2110/1998, of October 2 (BOE of October 16).

- **Type "A" arcade machine.** Type "A" machines are those that are purely for pastime or recreation and are limited to granting the user a period of time to use or play in exchange for the price of the game, without being able to grant any type of prize in cash, in kind or in the form of points redeemable for objects or money.

Also included in this group of type "A" machines are those that offer, as the only additional incentive and due to the player's skill, the possibility of continuing to play for the same initial amount in the form of an extension of the game itself or of additional games, which in no case may be exchanged for money or in kind.

See sections 1 and 2 of article 4 of Royal Decree 2110/1998, of October 2, approving the Regulation of Recreational and Gambling Machines.

- **Type "B" arcade machine.** Type "B" machines are those which, in exchange for the price of the game, grant the user a period of use or play time and, eventually, in accordance with the game program, a cash prize.

Attention: Please note that the machines owned by the owner constitute an independent activity, classified under section 969.4 of the Tax on Economic Activities (IAE) and that said activity is not among the activities included in the objective estimation method, so in principle the income derived from it cannot be determined by this method, but by the direct estimation method.

"Bar Length" module

Regulations: Instruction 2.1.15 for the application of signs, indices or modules in the IRPFABBR of Annex II Order HAC/1347/2024, of November 28 (BOE of November 30).

In café and bar activities that have been assigned the "bar length" module, the bar will be understood as the counter where the drinks and food requested by customers are served and supported.

The length of the bar will be measured on the public side and will exclude the area reserved for waiter service. If there are auxiliary support bars attached to walls, pillars, etc., whether or not they have stools, their length will be included in the calculation of the module.

The unit of this module is the linear meter (ml). The number of units will be expressed, where appropriate, with two decimal places.

"Vehicle tax power" module

Regulations: Instruction 2.1.14 for the application of signs, indices or modules in the IRPFABBR of Annex II Order HAC/1347/2024, of November 28 (BOE of November 30).

In the activities to which it is assigned, this module is defined by the fiscal power that appears on the Vehicle Technical Inspection Card, expressed in fiscal horsepower (CVF).

"Distance traveled" module

Regulations: Instruction 7 for the application of signs, indices or modules in the IRPFABBR of Annex II Order HAC/1347/2024, of November 28 (BOE of November 30).

The activity of transport by taxis has as its assigned module the "distance travelled" by each vehicle affected by the activity, and all the journeys in the year must be computed. The unit consists of 1,000 km.

2. Amounts of annual returns per module unit before amortization

In general

For the year 2025, the amounts of annual returns per module unit before amortization corresponding to each activity are those shown in Annex II of the Order HAC/1347/2024, of November 28 (BOE of November 30) and are collected in the "[Appendix: Annual returns per module unit before amortization applicable in the year 2025](#)" of this Chapter.

Reduction in annual performance per module unit due to exceptional circumstances

Regulations: Article 37.4.1 and 2 of the Regulations IRPFABBR. See also Annex III Order HAC/1347/2024, of November 28 (BOE of November 30).

In normal economic situations, the previous net performance of the activity is determined by the result of multiplying the number of units employed, used or installed in the activity of each of the applicable modules by the annual performance per unit before amortization assigned to each unit. However, when the exceptional circumstances indicated below occur, the

Administration may agree to reduce the said annual yield per unit in relation to the relevant modules, indicating the period of time to which it applies. These circumstances are grouped into the following cases:

- When the development of economic activity is affected by fires, floods or other exceptional circumstances that affect a specific sector or area.
- When the development of economic activity is affected by fires, floods, subsidence or major breakdowns in industrial equipment, which cause serious alterations or anomalies in the development of the activity.
- When the owner of the activity is temporarily incapacitated and has no other personnel employed.

In the first case, the reduction of signs, indices or modules must be authorized by the Minister of Finance and may affect taxpayers in a particular sector or area.

In the remaining cases, interested parties who wish to have the signs, indices or modules reduced must submit, within 30 days from the date on which the alterations or the situation of temporary incapacity occurred, a written document to the Administration or, failing that, to the Delegation of the State Agency for Tax Administration, in which the fact that said circumstances have occurred is made clear, providing at the same time the evidence deemed appropriate and mentioning, where applicable, the compensation to be received due to the alterations produced. Once their effectiveness has been confirmed, the head of the Administration or Delegation of the State Tax Administration Agency will agree to the reduction of the modules that apply, indicating the period of time to which it will apply.

Note: *In the event that the taxpayer has been granted the right to a reduction in one or more of the modules applicable to the activity, the declaration will be completed based on the reduced amounts agreed by the tax authorities.*

Phase 2: Determination of reduced net income

Regulations: See Annex II e instruction 2.2 of the aforementioned Annex II Order HAC/1347/2024, of November 28 (BOE of November 30).

The reduced net return is the result of reducing the previous net return by the amount of the employment and investment incentives, as set out below:

1. Reduction due to employment incentives

Calculation of the amount corresponding to this reduction for employment incentives

1.1. Reduction coefficients

To determine the amount corresponding to this reduction, the amount of the "annual yield per unit before amortization" established for the "salaried personnel" module must be multiplied by the corresponding reduction coefficient, which is constituted, in turn, by the sum of the following two coefficients:

- **Coefficient for increase in the number of salaried people .**
- **Coefficient by sections of the number of units of the "salaried personnel" module.**

In summary:

Minority = RA x (Coefficient for increase in the number of salaried people + Coefficient for sections)

Where RA is the amount of the annual yield per unit before amortization of the "salaried personnel" module corresponding to the activity in question .

1.2 Determination of the coefficient for increasing the number of salaried people

The application of this coefficient is subject to compliance with the following requirements:

- That in the year 2025 the number of salaried people employed in the activity has increased, in absolute terms, in relation to the year 2024.
- Furthermore, the number of units in the "salaried personnel" module in 2025 is greater than the number of units of that same module corresponding to 2024.

If both requirements are met, the positive difference between the number of units in the "salaried personnel" module in 2025 and the one corresponding to 2024 will be multiplied by 0.40. The result obtained is the **coefficient for the increase in the number of salaried persons**.

For these purposes, only salaried persons who have been computed in Phase 1 will be taken into account, in accordance with the rules previously mentioned for the calculation of the "salaried personnel" module. If the objective estimation method was not used in the previous year, the number of units corresponding to that year will be taken as the one that would have been applicable, in accordance with the rules established for the calculation of "salaried personnel."

Note: In no case will those that have not been computed to determine the previous net performance of the activity be taken into account for the purposes of determining the coefficient for the increase in the number of salaried persons, as is the case of students of specific vocational training who complete the compulsory training module in work centres.

1.3. Determination of the coefficient by sections of the number of units of the "salaried personnel" module

Each of the sections of the number of units of the "salaried personnel" module used to determine the net prior income corresponding to the 2025 financial year, excluding, where applicable, the positive difference on which the previous coefficient 0.40 was applied, will be subject to the corresponding coefficient from the following table:

Tranche	Coefficient
Up to 1.00	0.10
Between 1.01 and 3.00	0.15
Between 3.01 and 5.00	0.20
Between 5.01 and 8.00	0.25
More than 8.00	0.30

The result of applying the above table is the **coefficient by sections of the number of units of the "salaried personnel" module**.

The reduction for employment incentives will be the result of multiplying the amount of the "annual return per unit before amortization", established for the "salaried personnel" module by the result of adding the two previous coefficients.

Example: Reduction due to employment incentives

Mr. AAA It carries out the activity of a two-fork restaurant, section 671.4 of the IAE.

During the 2024 financial year, 3 employees with permanent contracts and full-time hours worked on the activity, each of whom totaled 2,100 hours/year. In June, an apprentice was hired for a period of 6 months, totalling 1,050 hours of work.

In the year 2025, the staffing situation was as follows:

- The three employees with permanent contracts remain in the company, working the same annual working hours as in the previous year.
- On January 2, a worker was hired on a permanent basis, totaling 2,100 hours/year.
- On August 1, 2 new people were hired temporarily for a period of 6 months, each of whom totaled 1,000 hours/year of work.

Determine the reduction for employment incentives corresponding to the year 2025, assuming that the number of annual hours established in the corresponding collective agreement is 1,800.

Solution:

1. Determination of the coefficient for increasing the number of salaried people .

a. Increase in the number of salaried workers in 2025 compared to 2024 in absolute terms:

- Salaried people in 2024: 4 people
- Salaried people in the year 2025: 6 persons
- Increase in the number of salaried people: 2 people

b. Increase in the number of units of the "salaried personnel" module in 2025 compared to 2024:

- Number of units of the "salaried personnel" module in 2024.
 $(3 \times 2,100/1,800) + (60\% \times 1,050/1,800) = 3.5 + 0.35 = 3.85$ people
- Number of units of the "salaried personnel" module in 2025
 $(4 \times 2,100/1,800) + (2 \times 1,000/1,800) = 4.67 + 1.11 = 5.78$ people
- Increase in the number of units: $5.78 - 3.85 = 1.93$ people

When both requirements are met, the positive difference between the number of units in the "salaried personnel" module in 2025 compared to 2024 will be multiplied by 0.40.

Coefficient for increase in the number of salaried people: $0.40 \times 1.93 = 0.772$

2. Determination of the coefficient by sections of the number of units of the "salaried personnel" module, excluding the positive difference on which the previous coefficient of 0.4 has been applied.

$$5.78 - 1.93 = 3.85$$

Tranche	Salaried staff	Coefficient per section	Totals
Up to 1.00	1	0.10	0.10
Between 1.01 and 3.00	2	0.15	0.30
Between 3.01 and 5.00	0.85	0.20	0.17
Total	3.85		0.57

3. Reduction coefficient: $0.772 + 0.57 = 1.342$

4. Amount of the reduction for employment incentives.

It is the result of multiplying the annual yield per unit before amortization of the "salaried personnel" module (3,709.88) by the reduction coefficient (sum of the coefficient for the increase in the number of employees plus the coefficient by sections: 1,342). That is, $3,709.88 \times 1.342 = 4,978.66$ euros.

2. Minority due to investment incentives

This incentive allows the previous net performance of the activity to be reduced by the amount corresponding to the effective depreciation experienced by the fixed assets, tangible or intangible, affected by it due to operation, use, enjoyment or obsolescence.

Amortization table

The amount of effective depreciation is determined using the amortization table included in the Order HAC/1347/2024, of November 28 (BOE of November 30), which is reproduced below:

Group	Description	Maximum linear coefficient	Maximum period
1	Buildings and similar	5 per 100	40 years
2	Useful tools, equipment for information processing and computer systems and programs	40 percent	5 years
5	Transport elements and other tangible fixed assets	25 percent	8 years
6	Intangible assets	15 percent	10 years

Particular rules for the application of the amortization table

Regulations: Fifty-ninth Additional Provision of the Law IRPFABBR

Note:*Possibility of applying the free amortization system to certain vehicles and new charging infrastructures*

Royal Decree-Law 4/2024, of June 26, extending certain measures to address the economic and social consequences of the conflicts in Ukraine and the Middle East and adopting urgent measures in fiscal, energy and social matters (BOE of June 27) introduced a new fifty-ninth Additional Provision in the Law of IRPFABBR by virtue of which the application of the freedom of amortization provided for in the Eighteenth Additional Provision of the LIS to the taxpayers of IRPFABBR that determine the net income of their economic activity according to the objective estimation method.

As a consequence of the above, from January 1, 2024, taxpayers who determine the net income of their economic activity according to the objective estimation method, may apply this [freedom of amortization, provided for in the Eighteenth Additional Provision of the LIS](#), with respect to investments in vehicles and charging facilities related to it.

- **The usable amortization coefficient can be any percentage between the maximum and minimum** . This last percentage is the result of dividing 100 by the maximum period shown in the table for each group of elements.
- **The depreciation coefficient is applied to the acquisition price or production cost** if the item has been produced by the company itself, excluding:

- The residual value, if applicable, for all items.

According to Royal Decree 1514/2007, of November 16, which approves the General Accounting Plan (BOE of November 20), the residual value of an asset is the amount that the company estimates it could obtain at the current time from its sale or other form of disposal, once the sales costs have been deducted, taking into consideration that the asset has reached the age and other conditions that it is expected to have at the end of its useful life.

- The value of land for buildings. When the portion of the acquisition price corresponding to the value of the land is not known, this value will be determined by apportioning the acquisition price between the cadastral values of the land and the construction in the year of acquisition.
 - He IVAABBR supported in its acquisition or production when the asset is used for an economic activity included in the simplified regime of the aforementioned tax.
- **Amortization must be carried out element by element** , although when it concerns assets integrated into the same Group of the Amortization Table, amortization may be carried out on the set of them, provided that the amortization corresponding to each asset can be known at all times.
 - **Tangible fixed assets** will begin to be depreciated from the moment they are put into operating condition and intangible fixed assets from the moment they are in a condition to generate income.
 - **The useful life cannot exceed the maximum amortization period** established in the table for each type of item.
 - In the case of tangible fixed assets that are acquired used, depreciation will be carried out on the acquisition price, up to the limit resulting from multiplying by two the amount derived from applying the maximum linear depreciation coefficient.
 - **In the event of transfer of use of assets with an option to purchase or renew** , when due to the economic conditions of the operation there are no reasonable doubts that one or the other option will be exercised, the transferee shall be deductible, as amortization, an amount equivalent to the amortization instalments that would correspond to the aforementioned assets, applying the coefficients provided for in the Amortization Table to the acquisition price or production cost of the asset.

- **New tangible fixed assets** Assets made available to the taxpayer in the 2025 tax year, whose unit value does not exceed 601.01 euros, may be freely amortized, up to a limit of 3,005.06 euros per year.
- In any case, the **documentary evidence** of the acquisition of the amortizable elements must be available and they must be duly registered in the corresponding investment asset registry book.
- **For acquisitions of new assets made between January 1, 2003 and December 31, 2004**, the maximum applicable linear amortization coefficients will be the result of multiplying those indicated in the table by 1.1. The new coefficient thus determined will be applicable during the useful life of the new assets acquired in the aforementioned period.
- **From 1 January 2024**, taxpayers who carry out their economic activity using the objective estimation method may apply the **freedom of amortisation** provided for in the Eighteenth Additional Provision of the LIS **for certain vehicles and new charging infrastructures related to the aforementioned economic activity**, subject to certain requirements.

For these purposes, see the section dedicated to “ [Depreciation of certain vehicles and new charging infrastructure](#) ” in Chapter 7 of this manual, specifically the corresponding subsection “B. Other taxpayers”

Phase 3: Determining the net yield of modules

Regulations: See Annex II and instruction 2.3 of the aforementioned Annex II Order HAC/1347/2024, of November 28 (BOE of November 30).

On the reduced net income of the activity whose amount is positive, the corrective indexes indicated below will be applied, when appropriate:

Note: If the reduced net income of the activity is a negative amount, the corrective indices will not be applied.

1. Special corrective indices

Only the following activities have been assigned a special correction index:

Retail trade activity of press, magazines and books in kiosks located on public roads (IAE heading: 659.4)

Regulations: Instruction 2.3 a.1) Order HAC/1347/2024, of November 28 (BOE of November 30).

Location of kiosks	Index applicable
Madrid and Barcelona	1.00

Location of kiosks	Index applicable
Municipalities with more than 100,000 inhabitants	0.95
Other municipalities	0.80

When, due to the activity being carried out in several municipalities, there is the possibility of applying more than one of the previously mentioned indexes, a single index will be applied, which will be the one corresponding to the municipality with the largest population.

Transportation activity by self-taxi (IAE heading: 721.2)

Regulations: Instruction 2.3 a.2) Order HAC/1347/2024, of November 28 (BOE November 30th).

Population of the municipality in which the activity is carried out	Applicable index
Up to 2,000 inhabitants	0.75
From 2,001 to 10,000 inhabitants	0.80
From 10,001 to 50,000 inhabitants	0.85
From 50,001 to 100,000 inhabitants	0.90
More than 100,000 inhabitants	1.00

When, due to the activity of transport by taxis being carried out in several municipalities, there is the possibility of applying more than one of the previously mentioned indexes, a single index will be applied, which will be the one corresponding to the municipality with the largest population.

Please note that the Resolution of the Central Economic-Administrative Court (TEAC) of September 20, 2022, Claim number 00-09398-2021, issued in an extraordinary appeal for the unification of criteria, has indicated that the economic activity of renting a vehicle with a driver through a VTC license is included in Section 721.2 of the IAE, under the title "Transport by taxis" and, therefore, is considered included in the objective estimation method of IRPFABBR.

Collective urban transport and road passenger transport activity (IAE headings: 721.1 and 3)

Regulations: Instruction 2.3. a.3) Order HAC/1347/2024, of November 28 (BOE November 30th).

If the holder has only one vehicle, **the applicable index is 0.80**.

Road freight transport activities and moving services (IAE headings: 722 and 757)

Regulations: Instruction 2.3 a.4) Order HAC/1347/2024, of November 28 (BOE November 30th).

Characteristics of the activity	Applicable index
Activity in which the owner has a single vehicle	0.80
Activity carried out with tractor-trailers and without semi-trailers	0.90
Activity carried out with a single tractor-trailer and without semi-trailers	0.75

Mussel production activity in punt

Note: From 1 January 2025, as a result of the mussel production activity being placed in Annex I, the previous net yield is no longer calculated based on the modules (personnel and rafts) but by applying the net yield index of 0.56 to the income volume and a specific correction index based on the number of rafts.

2. General corrective indices

The general correction indices are as follows:

Correction index for small companies

Regulations: Instruction 2.3 b.1) Order HAC/1347/2024, of November 28 (BOE November 30th).

This correction index is applicable to companies that meet the following **requirements** :

1. That the owner of the activity is a natural person.
2. That the activity is carried out in a single location.
3. That there is no more than one vehicle used for the activity and that it does not exceed 1,000 kg of load capacity.
4. That the activity is carried out without salaried personnel or with salaried personnel up to a maximum of two workers.

If these requirements are met, the amount of the correction index will be the one indicated below, depending on the number of salaried persons and, where applicable, the population of the municipality in which the activity is carried out:

- **If the activity is carried out without salaried personnel:**

Population of the municipality in which the activity is carried out	Applicable index
Up to 2,000 inhabitants	0.70
From 2,001 to 5,000 inhabitants	0.75
More than 5,000 inhabitants	0.80

When, due to the activity being carried out in several municipalities, there is the possibility of applying more than one of the previously mentioned indexes, a single index will be applied, which will be the one corresponding to the municipality with the largest population.

- **If the activity is carried out with salaried personnel, up to a maximum of two workers, the index 0.90** will be applied regardless of the population of the municipality in which the activity is carried out.

For the purposes of applying the correction factor of 0.90 percent for small businesses with up to two employees in the objective estimation method of IRPFABBRThe magnitude consisting of a maximum of 2 workers must be calculated based on the number of annual hours prorated per worker set in the corresponding collective agreement. Doctrine established in the Supreme Court Judgment number 1667/2023, of December 13, of the Second Section of the Contentious-Administrative Chamber, issued in the appeal for cassation number. 2702/2022 (ROJ : STS 5697/2023).

Season corrective index

Regulations: Instruction 2.3 b.2) Order HAC/1347/2024, of November 28 (BOE November 30th).

In activities that are usually carried out only on certain days of the year, continuous or alternating, provided that the total does not exceed 180 days per year, a multiplying correction index will be applied, the amount of which depends on the duration of the season in which the activity is carried out.

Season length	Applicable index
Up to 60 days	1.50
From 61 days to 120	1.35
From 121 days to 180 days	1.25
More than 180 days (not considered seasonal activity)	---

Excess correction index

Regulations: Instruction 2.3 b.3) Order HAC/1347/2024, of November 28 (BOE November 30th).

If the reduced net income, rectified, where appropriate, by the application of the above indexes, exceeds the amounts indicated for each activity in the following list, **the excess will be subject to the multiplying index 1.30** .

IAE epigraph	Activity	Amount
419.1	Bread and pastry industries.	41,602.30
419.2	Pastry, cake and biscuit industries	33,760.53
419.3	Fried dough manufacturing industries	19,670.55
423.9	Elaboration of fried potatoes, popcorn and things like that	19,670.55
641	Retail trade of fruits, vegetables, greens and tubers.	16,867.67
642.1, 2, 3 and 4	Retail trade of meat and meat offal; of processed meat products and derivatives	21,635.71
642.5	Retail trade of eggs, poultry, farm rabbits, game; and products derived therefrom.	20,136.65
642.6	Retail trade, in offal shops, of viscera and offal from farmed animals, fresh and frozen	16,237.81
643.1 and 2	Retail trade of fish and other fishery and aquaculture products and snails.	24,551.97
644.1	Retail trade of bread, pastries, confectionery and similar products and of milk and dairy products	43,605.26
644.2	Bread, special breads and cakes delivery.	42,925.01
644.3	Retail trade of pastries, cakes and confectionery products.	33,760.53
644.6	Retail sale of fried dough, with or without toppings or fillings, crisps, snack products, nuts, sweets, chocolate preparations and soft drinks.	19,670.55
647.1	Retail trade of any kind of food and beverage products in establishments with a seller	15,822.10
647.2 and 3	Retail sale of any kind of food and beverage products on a self-service or mixed basis in establishments with a sales area of less than 400 square metres.	25,219.62

IAE epigraph	Activity	Amount
651.1	Retail trade of textile products, household goods, carpets and similar items and upholstery items	23,638.67
651.2	Retail trade of all kinds of clothing and headgear	24,848.00
651.3 and 5	Retail sale of lingerie, corsetry and special garments.	19,626.46
651.4	Retail trade of haberdashery and packaging items	14,862.05
651.6	Retail trade of footwear, leather goods and imitation or substitute products, belts, wallets, bags, suitcases and travel items in general.	24,306.32
652.2 and 3	Retail trade of drugstore products, perfumery and cosmetics, cleaning products, paints, varnishes, solvents, papers and other products for decoration and chemical products, and articles for hygiene and personal care.	25,333.00
653.1	Retail sale of furniture.	30,718.31
653.2	Retail trade of electrical and electronic equipment and devices, household appliances and other household appliances powered by energy other than electricity, as well as kitchen furniture.	26,189.61
653.3	Retail trade of household items, hardware, decorations, gifts, or merchandise (including costume jewelry and small appliances).	24,470.09
653.4 and 5	Retail trade of construction materials, sanitary items and furniture, doors, windows, blinds, etc.	26,454.15
653.9	Retail trade of other household equipment items nec	32,765.35
654.2	Retail trade of accessories and spare parts for land vehicles.	32,815.74
654.5	Retail trade of all types of machinery (except household, office, medical, orthopedic, optical and photographic equipment).	31,367.06
654.6	Retail trade of tyres, bands or bandages and air chambers for all types of vehicles, except for wholesale trade activities of the aforementioned articles.	26,970.63
659.2	Retail trade of office furniture and office machinery and equipment	30,718.31
659.3	Retail trade of medical, orthopedic, optical and photographic equipment and instruments	35,524.14
659.4	Retail trade of books, newspapers, stationery and office supplies and drawing and fine arts items, except in kiosks located on public roads	25,207.02

IAE epigraph	Activity	Amount
659.4	Retail sale of newspapers, magazines and books in kiosks located on public roads (1)	28,860.22
659.6	Retail trade of toys, sporting goods, sports clothing, footwear and headgear, weapons, ammunition and fireworks.	24,948.78
659.7	Retail trade of seeds, fertilizers, flowers and plants and small animals.	23,978.80
662.2	Retail trade of all kinds of articles, including food and beverages, in establishments other than those specified in Group 661 and in section 662.1.	16,395.27
663.1	Retail trade outside a permanent commercial establishment of food products, including beverages and ice cream.	14,379.72
663.2	Retail trade outside a permanent commercial establishment of textile and clothing articles.	19,059.58
663.3	Retail trade outside a permanent commercial establishment of footwear, skins and leather goods	17,081.82
663.4	Retail trade outside a permanent commercial establishment of drugstore and cosmetic items and chemical products in general.	16,886.56
663.9	Retail trade outside a permanent commercial establishment of other kinds of goods nec	18,354.14
671.4	Two-fork restaurants	51,617.08
671.5	One-fork restaurants.	38,081.38
672.1,2 and 3	Coffee shops.	39,070.26
673.1	Special category cafes and bars.	30,586.03
673.2	Other cafes and bars.	19,084.78
675	Services in kiosks, boxes, barracks or other similar premises.	16,596.83
676	Services in chocolate shops, ice cream parlors and horchaterias	25,528.25
681	Accommodation services in one or two star hotels and motels.	61,512.19
682	Accommodation services in hostels and guest houses.	32,840.94

IAE epigraph	Activity	Amount
683	Lodging services in inns and guest houses	16,256.70
691.1	Repair of home electrical devices	21,585.33
691.2	Repair of motor vehicles, bicycles and other vehicles.	33,729.04
691.9	Shoe repair (2)	16,552.74
691.9	Repair of other consumer goods nec (except shoe repair, restoration of works of art, furniture, antiques and musical instruments). (3)	24,803.91
692	Industrial machinery repair.	30,352.99
699	Other repairs nec	23,607.18
721.1 and 3	Urban transport by bus and for travellers by highway	35,196.62
722	Transport of goods by road.	33,640.86
751.5	Greasing and car wash.	28,280.74
757	Moving services.	33,640.86
849.5	Transport of couriers and errands, when the activity is carried out exclusively using own means of transport.	33,640.86
933.1	Teaching driving of land, water, aeronautical vehicles, etc.	47,233.25
933.9	Other teaching activities, such as languages, dressmaking, typing, shorthand, exam and competition preparation and similar activities nec	33,697.55
967.2	schools and services of sport perfectioning	37,067.30
971.1	Dyeing, dry cleaning, washing and ironing of ready-made clothes and used household items and clothing.	37,224.77
972.1	Services of hairdresser for women and men.	18,051.81
972.2	Beauty salons and institutes	26,945.44
973.3	Document copying services using photocopy machines.	24,192.95
Notes to the excess correction index table :		

IAE epigraph	Activity	Amount
(1) At kiosks located on public roads. (Back)		
(2) Shoe repair. (Back)		
(3) Repair of other consumer goods nec (except shoe repair, restoration of works of art, furniture, antiques and musical instruments). (Back)		

Corrective index for starting new activities

Regulations: Instruction 2.3 b.4) Order HAC/1347/2024, of November 28 (BOE November 30th).

- a. The **taxpayers who have started new activities** Yes, they will be able to apply in the 2025 fiscal year. **a correction factor of 0.80** If it is the first year of carrying out the activity, **or 0.90** if it's the second one.

For these purposes, the following circumstances must occur in the exercise of the activity:

- That they are new activities whose exercise has begun on or after January 1, 2024.
- Let them not be seasonal activities.
- That they have not been previously exercised under another ownership or qualification.
- That they are carried out in premises or establishments dedicated exclusively to said activity, completely separated from the rest of the business or professional activities that, where appropriate, the taxpayer may carry out.

- b. **When the taxpayer is a disabled person** , with a degree of disability equal to or greater than 33 percent, the applicable correction indices will be **0.60 if it is the first year** of carrying out the activity or **0.70 if it is the second** .

Rules for the application of corrective indices: order of application and incompatibilities

The corrective indices are applied in the order in which they have just been indicated, which is the order in which they appear in the declaration, provided that they are not incompatible with each other, on the reduced net income or, where applicable, on the rectified by application of the same.

The **incompatibilities** between the different correction indexes are the following:

- The correction index for small companies will not be applicable to activities for which special correction indexes are provided, except for the one applicable to the retail trade activity of newspapers, magazines and books in kiosks located on public roads (heading IAE : 659.4).

- When the correction index for small companies is applicable, the excess correction index will not be applied.
- When the seasonal correction index is applicable, the correction index for the start of new activities will not be applied.

Phase 4: Determination of the net performance of the activity

The determination of the net income of the activity is the result of reducing the net income of modules by the amount of the general reductions and by the amount of extraordinary expenses due to exceptional circumstances. The balance resulting from this operation must be increased by the amount corresponding to other business income.

1. General reduction: 5 per 100

Regulations: Fifty-fourth Additional Provision of the Law IRPFABBR and Additional Provision One Order HAC/1347/2024, of November 28 (BOE November 30th).

For 2025, the 5 percent reduction in net module income is maintained, applicable in general to all taxpayers who determine the net income of their activity by the objective estimation method.

2. Extraordinary expenses due to exceptional circumstances

Regulations: Art. 37.4.3 Regulations IRPFABBR.

See also Common Standard 2 of Annex III Order HAC/1347/2024, of November 28 (BOE November 30th).

When the development of the activity has been affected by fires, floods, subsidence or other exceptional circumstances, which have determined extraordinary expenses outside the normal process of carrying out the activity, the interested parties may reduce the resulting net income by the amount of said expenses.

To do so, taxpayers must inform the Administration or Delegation of the State Tax Administration Agency corresponding to their tax domicile of this circumstance within 30 days from the date on which it occurs, providing, for this purpose, the corresponding justification and mentioning, where appropriate, the compensation to be received due to such alterations. The tax authorities will verify the certainty of the cause that motivates the reduction in income and its amount.

Precision: reimbursement or return of current subsidies

Given that his indictment must be carried out in the tax period that includes the date of the final grant award resolution, that is, when the grant is definitively recognized and quantified, regardless of when it is received, increasing the net income of modules by the amount of the grant received (box [1478], "Other business perceptions"), the return (reimbursement) of the same, if applicable, will have an impact on the net income of modules for the period in which it is made, and said net income must be reduced by such amount, entering its amount in the box [0238], relating to "Reimbursement of subsidies".

3. Other business insights

Regulations: See common standard 3 of Annex III Order HAC/1347/2024, of November 28 (BOE November 30th).

The net return on modules must be increased by the amount corresponding to other business receipts such as current and capital subsidies.

The criteria for [temporary allocation of current and capital grants are discussed in Chapter](#) of this Manual.

Precision: reimbursement or return of current subsidies

Given that his indictment must be carried out in the tax period that includes the date of the final grant award resolution, that is, when the grant is definitively recognized and quantified, regardless of when it is received, increasing the net income of modules by the amount of the grant received (box [1478], "Other business perceptions"), the return (reimbursement) of the same, if applicable, will have an impact on the net income of modules for the period in which it is made, and said net income must be reduced by such amount, entering its amount in the box [0238], relating to "Reimbursement of subsidies".

Note: Please note that the following direct aid is taxed as current subsidies: ##

- **Direct aid to the road transport sector** provided for in articles 34 of Royal Decree-Law 20/2022, of December 27 (BOE of December 28) and 156 and following of Royal Decree-Law 5/2023, of June 28 (BOE of June 29).
- **Direct aid granted to holders of economic activities especially affected by the DANA for the destruction or repair of heritage elements included in article 11 of Royal Decree-Law 6/2024** , with the following qualifications.

-In the case of public aid intended to compensate for the destruction of assets , the aid received will be fully exempt in accordance with section 1 c) of the Fifth Additional Provision of the Personal Income Tax Law if its amount is greater than the acquisition value of the destroyed asset. But if the amount is lower, the negative difference will be included in the tax base.

*-When the aid is intended **repair damage to assets**, only the portion the aid that, where applicable, exceeds the cost of repairing the aforementioned assets will be included in the tax base. In no case will the repair costs, up to the amount of the aforementioned aid, be tax deductible or counted as an improvement.*

Unlike the previous benefits, Social Security benefits received for temporary disability, pregnancy risk, or temporary disability, if applicable, are taxed as earned income.

Phase 5: Determination of the reduced net return on the activity

Regulations: Articles 32.1 Law IRPFABBR and 25 Regulation IRPFABBR

The reduced net income from the activity is the result of reducing the amount of the net income from the activity by an amount equivalent to 30% of the concept "other business income" whose generation period is greater than two years, as well as those that are classified by regulation as having been obtained in a notoriously irregular manner over time, when these are imputed in a single tax period.

For these purposes, the following are considered to be obtained in a clearly irregular manner over time, exclusively, when they are attributed in a single tax period:

- Capital grants for the acquisition of non-depreciable fixed assets.
- Compensation and aid for cessation of economic activities.
- Compensation received in lieu of economic rights of indefinite duration.

Maximum amount of performance to which the reduction applies:

The amount of net income referred to in this section to which the aforementioned reduction will be applied may not exceed the amount of **300,000 euros per year**.

In the event that several irregular returns of the same nature are obtained, and their amount exceeds the limit of 300,000 euros of maximum amount on which to apply the 30% reduction, the maximum reduction will be distributed proportionally between all the returns of that nature.

Determination of Total Reduced Net Return

To determine the total reduced net income, the following reduction may be applied to the reduced net income of the activity calculated as explained in the previous section, the conditions, amount and limit of which are set out in Chapter 7:

[Reduction for the exercise of certain economic activities for taxpayers with non-exempt income of less than 12,000 euros.](#)

Regulations: Article 32.2.3 of the Law IRPFABBR

Practical Case

Special category bar (heading IAE : 673.1), located in rented premises where, since its opening in 1995, 3 full-time salaried employees have worked with the owner in accordance with the Collective Agreement for the sector, which sets a working day of 1,800 hours per year. The owner does not carry out any other economic activity.

In the previous year (2024), the number of units in the "salaried personnel" module amounted to 3 people.

In the year 2025, the data to be taken into account are the following.

- a. On September 1, two new employees over the age of 19 were hired who remained with the company until December 31, 2025, each of whom totaled 600 hours of work in that year. Total compensation paid to staff in the 2025 financial year amounted to 41,500 euros.
- b. The bar is 10 metres long and has 8 tables for four people.
- c. The contracted electrical power is 35 kilowatts and a type "B" gaming machine is installed on the premises.
- d. Of the fixed assets assigned to the activity, the owner only keeps invoices for the coffee machine, a thermal display case, the air conditioning installation and the 8 tables with their chairs. The data contained in your investment assets register are as follows:

Element	Beginning of use	Cost price	Accumulated amortization as of 31-12-2024
Furniture (tables and chairs)	01-06-2020	1,500 euros	1,500 euros
Coffee maker	01-06-2021	9,400 euros	8,400 euros
Thermal display case	01-07-2022	4,000 euros	2,500 euros
Air conditioner installation	01-08-2022	6,600 euros	3.900 euros

- e. To replace the tables and chairs of the establishment, the owner on February 1, 2025, acquired 8 new tables and 32 new chairs for 2,400 euros, without the unit value of any of said furniture exceeding the amount of 601.01 euros.

The furniture was installed in the bar on the 15th of the aforementioned month. He sold the old furniture for 510 euros.

- f. On August 10, 2025, a flood occurred in the bar, causing damage whose repair amounted to 1,200 euros, without the owner's insurance policy covering the aforementioned risk. On September 1, the owner of the activity submitted a document to the Tax Agency corresponding to his tax domicile, reporting the aforementioned facts and providing an invoice for the repairs carried out along with the document proving the flooding issued by the local fire service. The competent services of the Tax Agency Administration have verified the certainty of the cause that motivated the extraordinary expense and its amount.

g. The taxpayer has not obtained other income in the year.

Solution

Phase 1: Determination of prior net performance.

1. Determination of the number of computable units of each of the modules applicable to activity .

Module 1. Salaried staff

Previous note: Salaried staff is quantified based on the number of hours actually worked annually by each worker in the activity.

- 3 people all year round: $(3 \times 1,800 \text{ hours} \div 1,800) = 3.00$ people.
- 2 people hired on 01-09-2025: $(2 \times 600 \text{ hours} \div 1,800) = 0.66$ people
- Total: 3.66 people.

Module 2. Non-salaried staff: The owner: 1.00 person

Module 3. Electrical power . Contracted kilowatts: 35.00 kWh

Module 4. Tables . Tables for 4 people: 8 tables

Module 5 . Bar length . Linear meters: 10.00 ml

Module 6. Type "A" recreational machines.

The premises do not have any type "A" gaming machines. Therefore, number of units = 0.00

Module 7. Type "B" recreational machines.

The premises has 1 type "B" gaming machine installed: Therefore, the number of units is: 1.00 machine.

2. Application to the number of units of each module of the annual yield per unit before amortization established in the Order HAC/1347/2024, of November 28 (BOE of November 30).

Module	No. of units	Yield per unit	Performance per module
1. Salaried staff	3.66	4.056,30	14,846.06
2. Non-salaried Staff	1.00	15,538.66	15,538.66
3. Electrical power	35,00	321.23	11,243.05

Module	No. of units	Yield per unit	Performance per module
4. Tables	8.00	233.04	1,864.32
5. Bar length	10.00	371.62	3,716.20
6. Type "A" machines	0.00	957.39	0.00
7. Type "B" machines	1.00	2.903,66	2.903,66
Previous net performance (sum)			50,111.95

Phase 2: Determination of reduced net income.

1. Minority for employment incentives .

a. *Minority coefficient due to increase in the number of salaried people .*

-Increase in the number of units of the "salaried personnel" module in 2025 compared to 2024:

Number of units of the "salaried personnel" module in 2024: 3.00 people

Number of units in the "salaried personnel" module in 2025: 3.66 people

Increase in the number of units: $3.66 - 3.00 = 0.66$ people

When both requirements are met, the positive difference between the number of units in the "salaried personnel" module in 2025 compared to 2024 will be multiplied by 0.40.

Coefficient for increase in the number of salaried people: $0.40 \times 0.66 = 0.264$.

b. *Reduction coefficient by sections of the number of units of the "salaried personnel" module.*

The coefficient by sections is applied to 3.00 (3.66- 0.66) units of the module as follows:

Up to 1.00: $1.00 \times 0.10 = 0.10$

Between 1.01 and 3.00: $2.00 \times 0.15 = 0.30$

Reduction coefficient by sections: $(0.10 + 0.30) = 0.40$

c. *Reduction coefficient for employment incentives.*

It is the result of adding the reduction coefficients by increase in the number of salaried people and by sections of the number of units of the "salaried personnel" module: $0.264 + 0.40 = 0.664$

d. *Amount of the reduction for employment incentives.*

It is the result of multiplying the reduction coefficient by the annual performance per unit of the "salaried personnel" module: $0.664 \times 4,056.30 = 2,693.38$ euros.

2. Minority due to investment incentives .

Using the amortization table contained in the Order HAC/1347/2024, of November 28 (BOE of November 30), and applying the maximum linear amortization coefficients set therein, the amount of the reduction for investment incentives is determined as follows:

Heritage element	Value acquisition	Maximum coefficient	Amortizable period	Amortization
Furniture (tables and chairs)	1,500	---	---	--- (2)
Coffee maker	9.400	25%	All year	1,000 (3)
Thermal display case	4.000	25%	All year	1,000
Air-conditioning	6.600	25%	All year	1,650
New tables and chairs (freely amortized)	2,400	100% (4)	Irrelevant	2,400
Minority due to investment incentives (sum)				6.050

Note to the table:

(1) The acquisition value of the fixed assets does not include the IVAABBR supported, since the activity is subject to the simplified regime of IVAABBR. [\(Back\)](#)

(2) Despite having been in operation in the company until its disposal due to sale, the old tables and chairs cannot be amortized in 2025, since as of 31-12-2024 these items were already fully amortized. [\(Back\)](#)

(3) Since the amount resulting from the application of the maximum coefficient is greater than the amount pending amortization as of 31-12-2024, which amounts to 1,000 euros (acquisition value 9,400 - accumulated amortization 8,400), the amortization has been carried out for this latter amount. [\(Back\)](#)

(4) The new tables and chairs can be freely amortized because their unit value is less than 601.01 euros and because, in addition, the total amount of the new assets acquired in 2025 does not exceed 3,005.06 euros. [\(Back\)](#)

3. Determination of reduced net income

Previous net performance: 50,111.95

less: Reduction for employment incentives: 2,693.38

less: Minority due to investment incentives: 6.050,00

equal to: Reduced net income $(50,111.95 - 2,693.38 - 6,050) = 41,368.57$

Phase 3: Determination of net module yield.

The only corrective index applicable in this example is the excess correction index, since the reduced net return exceeds the amount of 30,586.03 euros. Therefore:

Net return on modules $= 30,586.03 + [1.30 \times (41,368.57 - 30,586.03)] = 44,603.33$ euros.

Phase 4: Determination of the net return of the activity.

The general reduction of 5% must first be applied.

Note: the First Additional Provision of the Order HAC/1347/2024, of November 28 (BOE of November 30), which develops the objective estimation method of the IRPF for the year 2025.

Furthermore, since all the requirements established for this purpose have been met, the amount of the extraordinary expenses caused by the flood that occurred on August 10 must be deducted.

Therefore:

Net module yield $= 44,603.33$

less: General reduction (5% on 44,603.33) $= 2,230.17$

less: Extraordinary expenses due to exceptional circumstances: 1,200

equal to: Net income from the activity $(44,603.33 - 2,230.17 - 1,200) = 41,173.16$

Phase 5: Determination of the reduced net return of the activity.

1. Reduction for irregularity

Since there are no returns with a generation period exceeding two years or that are considered to have been obtained in a notoriously irregular manner over time, the reduced net return from the activity coincides with that determined in phase 4 above, which amounts to €41,173.16.

Comment : Capital gains or losses obtained as a result of the transfer of assets related to the activity (chairs and tables) must be declared in section F2 of the declaration.

2. Reduction for the exercise of certain economic activities

Since the income from economic activity exceeds 12,000 euros, the reduction in article 32.2.3 does not apply. of the Law of IRPFABBR.

Determination of the total reduced net income of the activity.

The total reduced net return coincides with the total reduced net return of the activity = **41,173.16 euros**

Appendix: Annual returns per module unit before amortization applicable in the year 2025

Modules applicable to each of the activities, included in Annex II of Order HAC/1347/2024, indicating their corresponding heading in the Economic Activities Tax (IAE)

Notes common to all activities :

The net income resulting from the application of the signs or modules includes, where applicable, that derived from the retail trade of tobacco products, carried out under a sales authorization regime with a surcharge, including that developed through automatic machines.

The amounts listed under the heading " **Annual yield per unit** " correspond to the annual yield per unit of module **before amortization** .

IAE heading: 419.1 - Bread and pastry industries

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	6.248,22
2	Non-salaried Staff	Person	14,530.89
3	Surface area of the premises	m ²	49.13
4	Oven surface	100 dm ²	629.86
Amount for the purposes of the excess correction index: 41,602.30 euros			

IAE heading: 419.2 - Bakery, pastry and cookie industries

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	6,657.63
2	Non-salaried Staff	Person	13,485.32

Module	Definition	Unit	Annual yield per unit (euros)
3	Surface area of the premises	m ²	45.35
4	Oven surface	100 dm ²	541.68
Note.- The net income resulting from the application of the above signs or modules includes, where applicable, that derived from the manufacture and retail trade of savoury pastry products and ready-made dishes, provided that these activities are carried out as an accessory to the main activity.			
Amount for the purposes of the excess correction index: 33,760.53 euros			

IAE heading: 419.3 - Fried dough manufacturing industries

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	4.238,96
2	Non-salaried Staff	Person	12,301.18
3	Surface area of the premises	m ²	25.82
Amount for the purposes of the excess correction index: 19,670.55			

IAE heading: 423.9 - Manufacture of French fries, popcorn and similar products

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	4.390,12
2	Non-salaried Staff	Person	12,723.18
3	Surface area of the premises	m ²	26.45
Amount for the purposes of the excess correction index: 19,670.55 euros			

IAE heading: 641 - Retail trade of fruits, vegetables and tubers

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	2.387,18
2	Non-salaried Staff	Person	10,581.66
3	Independent local surface	m ²	57.94
4	Non-independent local surface	m ²	88.18
5	Loading transport elements	Kilogram	1.01
Amount for the purposes of the excess correction index: 16,867.67 euros			

IAE heading: 642.1, 2, 3 and 4 - Retail trade of meat and offal; of processed meat products and derivatives

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	2,355.68
2	Non-salaried Staff	Person	10,991.07
3	Independent local surface	m ²	35.90
4	Non-independent local surface	m ²	81.88
5	Electricity consumption	100 kWh	39.05
Note.- The net income derived from the application of the above signs or modules includes, where applicable, that derived from the preparation of pre-cooked dishes, provided that it is carried out as an accessory to the main activity.			
Amount for the purposes of the excess correction index: 21,635.71 euros			

IAE heading: 642.5 - Retail trade of eggs, poultry, farm rabbits, game; and products derived from them

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	3,382.36

Module	Definition	Unit	Annual yield per unit (euros)
2	Non-salaried Staff	Person	11,337.49
3	Electricity consumption	100 kWh	25.19
4	Independent local surface	m ²	27.08
5	Non-independent local surface	m ²	58.57
Note.- The net income derived from the application of the above signs or modules includes, where applicable, that derived from roasting chickens, provided that it is carried out as an accessory to the main activity.			
Amount for the purposes of the excess correction index: 20,136.65 euros			

IAE heading: 642.6 - Retail trade, in offal stores, of viscera and offal from slaughter animals, fresh and frozen

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	2,254.90
2	Non-salaried Staff	Person	11,098.14
3	Independent local surface	m ²	27.71
4	Non-independent local surface	m ²	69.28
5	Electricity consumption	100 kWh	35.90
Amount for the purposes of the excess correction index: 16,237.81 euros			

IAE headings: 643.1 and 2 - Retail trade of fish and other fishing and aquaculture products and snails

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	3,823.25
2	Non-salaried Staff	Person	13,296.36
3	Independent local surface	m ²	36.53

Module	Definition	Unit	Annual yield per unit (euros)
4	Non-independent local surface	m ²	113.37
5	Electricity consumption	100 kWh	28.98
Amount for the purposes of the excess correction index: 24,551.97 euros			

IAE heading: 644.1 - Retail trade of bread, pastries, confectionery and similar products and of milk and dairy products

Module	Definition	Unit	Annual yield per unit (euros)
1	Manufacturing salaried staff	Person	6.248,22
2	Other salaried personnel	Person	1,058.17
3	Non-salaried Staff	Person	14,530.89
4	Surface area of the manufacturing premises	m ²	49.13
5	Rest of independent local surface	m ²	34.01
6	Remaining non-independent local surface	m ²	125.97
7	Oven surface	100 dm ²	629.86
NOTE: The net income resulting from the application of the above signs or modules includes, where applicable, that derived from the manufacture and retail trade of savoury pastry products and ready-made dishes, the tasting of the products that are the object of its activity accompanied by any type of drinks, coffees, infusions or soluble drinks, catering activities and the retail trade of cheeses, sausages and sandwiches, as well as lotteries, provided that these activities are carried out as an accessory to the main activity.			
Amount for the purposes of the excess correction index: 43,605.26 euros			

IAE heading: 644.2 - Shipments of bread, special breads and pastries

Module	Definition	Unit	Annual yield per unit (euros)
1	Manufacturing salaried staff	Person	6.134,85
2	Other salaried personnel	Person	1,039.27
3	Non-salaried Staff	Person	14,266.34
4	Surface area of the manufacturing premises	m ²	48.50
5	Rest of independent local surface	m ²	33.38
6	Remaining non-independent local surface	m ²	125.97
7	Oven surface	100 dm ²	629.86
NOTE: The net income resulting from the application of the above signs or modules includes, where applicable, that derived from the marketing of lotteries, provided that this activity is carried out as an accessory to the main activity.			
Amount for the purposes of the excess correction index: 42,925.01 euros			

IAE heading: 644.3 - Retail trade of pastry, cakes and confectionery products

Module	Definition	Unit	Annual yield per unit (euros)
1	Manufacturing salaried staff	Person	6.367,89
2	Other salaried personnel	Person	1,014.08
3	Non-salaried Staff	Person	12,912.15
4	Surface area of the manufacturing premises	m ²	43.46
5	Rest of independent local surface	m ²	34.01
6	Remaining non-independent local surface	m ²	113.37

Module	Definition	Unit	Annual yield per unit (euros)
7	Oven surface	100 dm ²	522.78
NOTE: The net income resulting from the application of the above signs or modules includes, where applicable, that derived from the manufacture and retail trade of savoury pastry products and ready-made dishes, from the tasting of the products that are the object of its activity accompanied by any type of drinks, coffees, infusions or soluble drinks, from the activities of " <i>catering</i> " and from the retail trade of cheeses, sausages and sandwiches, as well as from lotteries, provided that this activity is carried out as an accessory to the main activity.			
Amount for the purposes of the excess correction index: 33,760.53 euros			

IAE heading: 644.6 - Retail trade of fried dough, with or without toppings or fillings, potato chips, snack products, nuts, sweets, chocolate preparations and soft drinks

Module	Definition	Unit	Annual yield per unit (euros)
1	Manufacturing salaried staff	Person	6,852.88
2	Other salaried personnel	Person	2,254.90
3	Non-salaried Staff	Person	13,214.47
4	Surface area of the manufacturing premises	m ²	27.71
5	Rest of independent local surface	m ²	21.41
6	Remaining non-independent local surface	m ²	36.53
NOTE: The net income resulting from the application of the above signs or modules includes, where applicable, that derived from the marketing of lotteries, provided that this activity is carried out as an accessory to the main activity.			
Amount for the purposes of the excess correction index: 19,670.55 euros			

IAE heading: 647.1 - Retail trade of any kind of food and beverage products in establishments with a seller

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	1,026.67
2	Non-salaried Staff	Person	10,839.90
3	Area of independent premises	m ²	20,15
4	Area of non-independent premises	m ²	68.65
5	Electricity consumption	100 kWh	8.81
NOTE: The net income resulting from the application of the above signs or modules includes, where applicable, that derived from the marketing of lotteries, provided that this activity is carried out as an accessory to the main activity.			
Amount for the purposes of the excess correction index: 15,822.10 euros			

IAE headings: 647.2 and 3 - Retail trade of any kind of food and beverage products on a self-service or mixed basis in establishments whose sales room has an area of less than 400 square meters

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	1,788.80
2	Non-salaried Staff	Person	10,827.31
3	Surface area of the premises	m ²	23,31
4	Electricity consumption	kWh	32.75
Note.- The net income resulting from the application of the above signs or modules includes, where applicable, that derived from the marketing of lotteries, provided that this activity is carried out as an accessory to the main activity.			
Amount for the purposes of the excess correction index: 25,219.62 euros			

IAE heading: 651.1 - Retail trade of textile products

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	3.010,74
2	Non-salaried Staff	Person	13,812.85
3	Electricity consumption	100 kWh	38.42
4	Area of independent premises	m ²	35.28
5	Area of non-independent premises	m ²	107.07
Amount for the purposes of the excess correction index: 23,638.67 euros			

IAE heading: 651.2 - Retail trade of all types of clothing and headgear

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	2,569.83
2	Non-salaried Staff	Person	13,995.51
3	Surface area of the premises	m ²	49.13
4	Electricity consumption	100 kWh	56.69
Amount for the purposes of the excess correction index: 24,848 euros			

IAE headings: 651.3 and 5 - Retail trade of lingerie, corsetry and special garments

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	2,198.21
2	Non-salaried Staff	Person	11,998.85
3	Surface area of the premises	m ²	47.87
4	Electricity consumption	100 kWh	75.58

Module	Definition	Unit	Annual yield per unit (euros)
Amount for the purposes of the excess correction index: 19,626.46 euros			

IAE heading: 651.4 - Retail trade of haberdashery and parcel items

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	1,902.18
2	Non-salaried Staff	Person	10,291.93
3	Surface area of the premises	m ²	28.98
4	Electricity consumption	100 kWh	58.57
Amount for the purposes of the excess correction index: 14,862.05 euros			

IAE heading: 651.6 - Retail trade of footwear, leather goods and imitation or substitute products, belts, wallets, bags, suitcases and travel items in general

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	3.130,41
2	Non-salaried Staff	Person	13,453.83
3	Surface area of the premises	m ²	27.71
4	Electricity consumption	100 kWh	52.27
Amount for the purposes of the excess correction index: 24,306.32 euros			

IAE headings: 652.2 and 3 - Retail trade of drug products, perfumery and cosmetics, cleaning products, paints, varnishes, solvents, papers and other products for decoration and chemicals, and articles for hygiene and personal hygiene

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	3,722.48
2	Non-salaried Staff	Person	12,786.18
3	Electricity consumption	100 kWh	31.49
4	Area of independent premises	m ²	18.27
5	Area of non-independent premises	m ²	55.43
Note: The net income resulting from the application of the above signs or modules includes, where applicable, that derived from the marketing of lotteries, provided that this activity is carried out as an accessory to the main activity.			
Amount for the purposes of the excess correction index: 25,333 euros			

IAE heading: 653.1 - Retail trade of furniture

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	4.075,20
2	Non-salaried Staff	Person	16,200.02
3	Electricity consumption	100 kWh	50.39
4	Surface area of the premises	m ²	16.38
Amount for the purposes of the excess correction index: 30,718.31 euros			

IAE heading: 653.2 - Retail trade of electrical, electronic materials and devices, household appliances and other household appliances powered by other types of energy other than electricity, as well as kitchen furniture

Module	Definition	Unit	Annual performance per unit (euros)
1	Salaried staff	Person	2.884,77

Module	Definition	Unit	Annual performance per unit (euros)
2	Non-salaried Staff	Person	14,656.86
3	Electricity consumption	100 kWh	100.78
4	Area of independent premises	m ²	36.53
5	Area of non-independent premises	m ²	113.37
Amount for the purposes of the excess correction index: 26,189.61 euros			

IAE heading: 653.3 - Retail trade of household items, hardware, ornaments, gifts, or promotional items (including costume jewelry and small appliances)

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	3,709.88
2	Non-salaried Staff	Person	15,116.66
3	Electricity consumption	100 kWh	51.02
4	Surface area of the premises	m ²	21.41
Amount for the purposes of the excess correction index: 24,470.09 euros			

IAE headings: 653.4 and 5 - Retail trade of construction materials, sanitation items and furniture, doors, windows, blinds, etc.

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	3,061.12
2	Non-salaried Staff	Person	16,527.55
3	Electricity consumption	100 kWh	94.48
4	Surface area of the premises	m ²	8.81
Amount for the purposes of the excess correction index: 26,454.15 euros			

IAE heading: 653.9 - Retail trade of other household equipment nec

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	4.950,71
2	Non-salaried Staff	Person	20,061.07
3	Electricity consumption	100 kWh	81.88
4	Surface area of the premises	m ²	39.68
Amount for the purposes of the excess correction index: 32,765.35 euros			

IAE heading: 654.2 - Retail trade of accessories and spare parts for land vehicles

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	3,098.92
2	Non-salaried Staff	Person	17,018.84
3	Electricity consumption	100 kWh	201.55
4	Vehicle tax power	CVF	617.26
Amount for the purposes of the excess correction index: 32,815.74 euros			

IAE heading: 654.5 - Retail trade of all types of machinery (except household, office, medical, orthopedic, optical and photographic appliances)

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	9.422,71
2	Non-salaried Staff	Person	18,858.03

Module	Definition	Unit	Annual yield per unit (euros)
3	Electricity consumption	100 kWh	39.05
4	Vehicle tax power	CVF	132.27
Amount for the purposes of the excess correction index: 31,367.06 euros			

IAE heading: 654.6 - Retail trade of covers

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	2,746.19
2	Non-salaried Staff	Person	14.222,25
3	Electricity consumption	100 kWh	119.67
4	Vehicle tax power	CVF	377.92
Amount for the purposes of the excess correction index: 26,970.63 euros			

IAE heading: 659.2 - Retail trade of office furniture and office machines and equipment

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	4.157,08
2	Non-salaried Staff	Person	16,521.25
3	Electricity consumption	100 kWh	56.69
4	Surface area of the premises	m ²	17.01
Amount for the purposes of the excess correction index: 30,718.31 euros			

IAE heading: 659.3 - Retail trade of medical, orthopedic, optical and photographic apparatus and instruments

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	7,174.12
2	Non-salaried Staff	Person	19,273.74
3	Electricity consumption	100 kWh	119.67
4	Vehicle tax power	CVF	1,070.76
Note: The net income resulting from the application of the above signs or modules includes, where applicable, that derived from the service of collecting negatives and other impressed photographic material for processing in a third-party laboratory and the delivery of the corresponding copies and enlargements, provided that this activity is carried out as an accessory to the main activity of retail trade of photographic equipment and instruments.			
Amount for the purposes of the excess correction index: 35,524.14 euros			

IAE heading: 659.4 - Retail sale of books, newspapers, stationery and writing articles and drawing and fine arts articles, except in kiosks located on public roads

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	4,648.37
2	Non-salaried Staff	Person	17,176.30
3	Electricity consumption	100 kWh	57.94
4	Surface area of the premises	m ²	30.86
5	Vehicle tax power	CVF	535.38
Note: The net income resulting from the application of the above signs or modules includes, where applicable, that derived from the sale of low-value items such as sweets, smoking articles, etc., the marketing services of public transport cards, cards for telephone use and other similar ones, as well as lotteries, provided that these activities are carried out as an accessory to the main activity.			
Amount for the purposes of the excess correction index: 25,207.02 euros			

IAE heading: 659.4 - Retail sale of newspapers, magazines and books in kiosks located on public roads

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	3,476.83
2	Non-salaried Staff	Person	17,220.39
3	Electricity consumption	100 kWh	403.11
4	Surface area of the premises	m ²	844.02
Note: The net income resulting from the application of the above signs or modules includes, where applicable, that derived from the sale of low-value items such as sweets, smoking articles, etc., outdoor advertising services and marketing of public transport cards, cards for telephone use and other similar cards, as well as lotteries, provided that these activities are carried out as an accessory to the main activity. Taxation Management Department			
Amount for the purposes of the excess correction index: 28,860.22 euros			

IAE heading: 659.6 - Retail trade of toys, sporting goods, sports clothing, footwear and headgear, weapons, cartridges and pyrotechnic items

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	2.916,26
2	Non-salaried Staff	Person	13,258.56
3	Electricity consumption	100 kWh	138.57
4	Surface area of the premises	m ²	32.75
Amount for the purposes of the excess correction index: 24,948.78 euros			

IAE heading: 659.7 - Retail trade of seeds, fertilizers, flowers and plants and small animals

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	4.988,50
2	Non-salaried Staff	Person	16.124,43

Module	Definition	Unit	Annual yield per unit (euros)
3	Vehicle tax power	CVF	258.24
Amount for the purposes of the excess correction index: 23,978.80 euros			

IAE heading: 662.2 - Retail trade of all types of items, including food and beverages, in establishments other than those specified in Group 661 and in section 662.1

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	4,868.82
2	Non-salaried Staff	Person	9,429.01
3	Electricity consumption	100 kWh	28.98
4	Surface area of the premises	m ²	37.79
Note: The net income resulting from the application of the above signs or modules includes, where applicable, that derived from the marketing of lotteries, provided that this activity is carried out as an accessory to the main activity.			
Amount for the purposes of the excess correction index: 16,395.27 euros			

IAE heading: 663.1 - Retail sale outside a permanent commercial establishment of food products, including beverages and ice cream

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	1,398.29
2	Non-salaried Staff	Person	13,989.21
3	Vehicle tax power	CVF	113.37
Amount for the purposes of the excess correction index: 14,379.72 euros			

IAE heading: 663.2 - Retail trade outside a permanent commercial establishment of textile and clothing articles

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	2,991.84
2	Non-salaried Staff	Person	13,982.91
3	Vehicle tax power	CVF	239.34
Amount for the purposes of the excess correction index: 19,059.58 euros			

IAE heading: 663.3 - Retail sale outside a permanent commercial establishment of footwear, furs and leather articles

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	2,613.92
2	Non-salaried Staff	Person	11,186.32
3	Vehicle tax power	CVF	151.16
Amount for the purposes of the excess correction index: 17,081.82 euros			

IAE heading: 663.4 - Retail trade outside a permanent commercial establishment of drugstore and cosmetic items and chemical products in general

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	3,678.39
2	Non-salaried Staff	Person	12,641.30
3	Vehicle tax power	CVF	113.37
Amount for the purposes of the excess correction index: 16,886.56 euros			

IAE heading: 663.9 - Retail trade outside a permanent commercial establishment of other classes of goods nec

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	5,448.29
2	Non-salaried Staff	Person	10,537.57
3	Vehicle tax power	CVF	283.44
Amount for the purposes of the excess correction index: 18,354.14 euros			

IAE heading: 671.4 - Two-service restaurants

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	3,709.88
2	Non-salaried Staff	Person	17,434.55
3	Electrical power	kW contracted	201.55
4	Tables	Table	585.77
5	Type "A" machines	Type "A" machine	1,077.06
6	Type "B" machines	Type "B" machine	3,810.65
NOTE: The net income resulting from the application of the above signs or modules includes, where applicable, that derived from recreational machines such as billiards, table football, darts, etc., as well as tape, video, compact-disc, ball vending machines, etc., children's game machines, compact-disc and music video playing machines, lotteries, sports betting machines and the telephone service, provided that they are carried out as an accessory to the main activity.			
Amount for the purposes of the excess correction index: 51,617.08 euros			

IAE heading: 671.5 - One-fork restaurants

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	3,602.80
2	Non-salaried Staff	Person	16,174.82
3	Electrical power	kW contracted	125.97
4	Tables	Table	220.45
5	Type "A" machines	Type "A" machine	1,077.06
6	Type "B" machines	Type "B" machine	3,810.65
NOTE: The net income resulting from the application of the above signs or modules includes, where applicable, that derived from recreational machines such as billiards, table football, darts, etc., as well as tape, video, compact-disc, ball vending machines, etc., children's game machines, compact-disc and music video playing machines, lotteries, sports betting machines and the telephone service, provided that they are carried out as an accessory to the main activity.			
Amount for the purposes of the excess correction index: 38,081.38 euros			

IAE headings: 672.1, 2 and 3 - Cafes

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	1,448.68
2	Non-salaried Staff	Person	13,743.56
3	Electrical power	kW contracted	478.69
4	Tables	table	377.92
5	Type "A" machines	Type "A" machine	957.39
6	Type "B" machines	Type "B" machine	3,747.67
NOTE: The net income resulting from the application of the above signs or modules includes, where applicable, that derived from recreational machines such as billiards, table football, darts, etc., as well as tape, video, compact-disc, ball vending machines, etc., children's game machines, compact-disc and music video playing machines, lotteries, sports betting machines and the telephone use service, provided that they are carried out as an accessory to the main activity.			

Module	Definition	Unit	Annual yield per unit (euros)
Amount for the purposes of the excess correction index: 39,070.26 euros			

IAE heading: 673.1 - Special category cafes and bars

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	4.056,30
2	Non-salaried Staff	Person	15,538.66
3	Electrical power	kW contracted	321.23
4	Tables	Table	233.04
5	Bar length	Meter	371.62
6	Type "A" machines	Type "A" machine	957.39
7	Type "B" machines	Type "B" machine	2.903,66
NOTE: The net income resulting from the application of the above signs or modules includes, where applicable, that derived from recreational machines such as billiards, table football, darts, etc., as well as tape, video, compact-disc, ball vending machines, etc., children's game machines, compact-disc and music video playing machines, lotteries, sports betting machines and the telephone use service, provided that they are carried out as an accessory to the main activity.			
Amount for the purposes of the excess correction index: 30,586.03 euros			

IAE heading: 673.2 - Other cafes and bars

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	1,643.93
2	Non-salaried Staff	Person	11,413.08
3	Electrical power	kW contracted	94.48
4	Tables	Table	119.67

Module	Definition	Unit	Annual yield per unit (euros)
5	Bar length	Meter	163.76
6	Type "A" machines	Type "A" machine	806.23
7	Type "B" machines	Type "B" machine	2,947.75
NOTE: The net income resulting from the application of the above signs or modules includes, where applicable, that derived from recreational machines such as billiards, table football, darts, etc., as well as tape, video, compact-disc, ball vending machines, etc., children's game machines, compact-disc and music video playing machines, lotteries, sports betting machines and the telephone use service, provided that they are carried out as an accessory to the main activity.			
Amount for the purposes of the excess correction index: 19,084.78 euros			

IAE heading: 675 - Services in kiosks, booths, barracks or other similar premises

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	2.802,88
2	Non-salaried Staff	Person	14,461.60
3	Electrical power	kW contracted	107.07
4	Surface area of the premises	m ²	26.45
Note: The net income resulting from the application of the above signs or modules includes, where applicable, that derived from the marketing of lotteries, provided that this activity is carried out as an accessory to the main activity.			
Amount for the purposes of the excess correction index: 16,596.83 euros			

IAE heading: 676 - Services in chocolate shops, ice cream shops and horchaterias

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	2,418.67

Module	Definition	Unit	Annual yield per unit (euros)
2	Non-salaried Staff	Person	20,016.97
3	Electrical power	kW contracted	541.68
4	Tables	Table	220.45
5	Type "A" machines	Type "A" machine	806.23
Note: The net income resulting from the application of the above signs or modules includes, where applicable, that derived from the activities of making chocolates, ice creams and horchatas, the service to the public of ice creams, horchatas, chocolates, infusions, coffee and soluble drinks, soft drinks, as well as bakery, pastry, confectionery and cake products that are normally accompanied for tasting the above products, and amusement machines such as rocking horses, horses, talking animals, etc., as well as the marketing of lotteries, provided that they are carried out as an accessory to the main activity.			
Amount for the purposes of the excess correction index: 25,528.25 euros			

IAE heading: 681 - Lodging service in one or two star hotels and motels

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	6.223,02
2	Non-salaried Staff	Person	20,438.98
3	Number of places	Square	371.62
Note.- The net income resulting from the application of the above signs or modules includes, where applicable, that derived from the marketing of lotteries, provided that this activity is carried out as an accessory to the main activity.			
Amount for the purposes of the excess correction index: 61,512.19 euros			

IAE heading: 682 - Accommodation services in hostels and pensions

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	5.145,96

Module	Definition	Unit	Annual yield per unit (euros)
2	Non-salaried Staff	Person	17,541.62
3	Number of places	Square	270.85
Amount for the purposes of the excess correction index: 32,840.94 euros			

IAE heading: 683 - Lodging services in inns and guest houses

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	4,478.31
2	Non-salaried Staff	Person	14,587.57
3	Number of places	Square	132.27
Amount for the purposes of the excess correction index: 16,256.70 euros			

IAE heading: 691.1 - Repair of electrical household items

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	4,314,54
2	Non-salaried Staff	Person	15,538.66
3	Surface area of the premises	m ²	17.01
Amount for the purposes of the excess correction index: 21,585.33 euros			

IAE heading: 691.2 - Repair of motor vehicles, bicycles and other vehicles

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	4.157,08
2	Non-salaried Staff	Person	17,094.42

Module	Definition	Unit	Annual yield per unit (euros)
3	Surface area of the premises	m ²	27.08
NOTE : The net income derived from the application of the above signs or modules includes, where applicable, that derived from professional activities related to automobile insurance, provided that they are carried out as an accessory to the main activity.			
Amount for the purposes of the excess correction index: 33,729.04 euros			

IAE heading: 691.9 - Shoe repair

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	1,845.50
2	Non-salaried Staff	Person	10,014.78
3	Electricity consumption	100 kWh	125.97
Amount for the purposes of the excess correction index: 16,552.74 euros			

IAE heading: 691.9 - Repair of other consumer goods nec (except shoe repair, restoration of works of art, furniture, antiques and musical instruments)

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	4.094,10
2	Non-salaried Staff	Person	16,187.42
3	Surface area of the premises	m ²	45.35
Amount for the purposes of the excess correction index: 24,803.91 euros			

IAE heading: 692 - Repair of industrial machinery

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	4,409.02
2	Non-salaried Staff	Person	18,146.29
3	Surface area of the premises	m ²	94.48
Amount for the purposes of the excess correction index: 30,352.99 euros			

IAE heading: 699 - Other repairs nec

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	3,703.58
2	Non-salaried Staff	Person	15,230.03
3	Surface area of the premises	m ²	88.18
Amount for the purposes of the excess correction index: 23,607.18 euros			

IAE heading: 721.1 and 3 - Urban collective and passenger transport by road

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	2,981.02
2	Non-salaried Staff	Person	16,016.97
3	Number of seats	Seat	121.40
Amount for the purposes of the excess correction index: 35,196.62 euros			

IAE heading: 721.2 - Transportation by autotaxi

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	1,346.27

Module	Definition	Unit	Annual yield per unit (euros)
2	Non-salaried Staff	Person	7,656.89
3	Distance travelled	1000 Kilometers	45.08
NOTE : The net income resulting from the application of the above signs or modules includes, where applicable, that derived from the provision of advertising services that use the vehicle as a support, provided that they are carried out as an accessory to the main activity.			
The excess correction index is not applicable to this activity.			

IAE heading: 722 - Transport of goods by road

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	2,728.59
2	Non-salaried Staff	Person	10,090.99
3	Load vehicles	Ton	126.21
NOTE : The net income resulting from the application of the above signs or modules includes, where applicable, that derived from auxiliary and complementary transport activities, such as transport agencies, warehouses and storage of goods, etc., provided that they are carried out as an accessory to the main activity.			
Amount for the purposes of the excess correction index: 33,640.86 euros			

IAE heading: 751.5 - Vehicle lubrication and washing

Module	Definition	Unit	Annual yield per unit before (euros)
1	Salaried staff	Person	4.667,27
2	Non-salaried Staff	Person	19,191.86
3	Surface area of the premises	m ²	30.23
Amount for the purposes of the excess correction index: 28,280.74 euros			

IAE heading: 757 - Moving services

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	2,566.32
2	Non-salaried Staff	Person	10,175.13
3	Load vehicles	Ton	48.08
Amount for the purposes of the excess correction index: 33,640.86 euros			

IAE heading: 849.5 - Courier and delivery transport, when the activity is carried out exclusively with its own means of transport

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	2,728.59
2	Non-salaried Staff	Person	10,090.99
3	Load vehicles	Ton	126.21
Amount for the purposes of the excess correction index: 33,640.86 euros			

IAE heading: 933.1 - Teaching how to drive land, water, aeronautical vehicles, etc.

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	3,067.42
2	Non-salaried Staff	Person	20,596.45
3	Number of vehicles	Vehicle	774.72
4	Vehicle tax power	CVF	258.24
Amount for the purposes of the excess correction index: 47,233.25 euros			

IAE heading: 933.9 - Other teaching activities, such as language cutting and sewing, typing, shorthand, preparation of exams and competitions and the like nec

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	1,253.49
2	Non-salaried Staff	Person	15,727.62
3	Surface area of the premises	m ²	62.36
Amount for the purposes of the excess correction index: 33,697.55 euros			

IAE heading: 967.2 - Sports improvement schools and services

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	7,035.55
2	Non-salaried Staff	Person	14,215.95
3	Surface area of the premises	m ²	34.01
Amount for the purposes of the excess correction index: 37,067.30 euros			

IAE heading: 971.1 - Dyeing, dry cleaning, washing and ironing of ready-made clothing and used clothing and household items

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	4,553.90
2	Non-salaried Staff	Person	16,773.19
3	Electricity consumption	100 kWh	45.98
Amount for the purposes of the excess correction index: 37,224.77 euros			

IAE heading: 972.1 - Hairdressing services for men and women

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	3,161.90

Module	Definition	Unit	Annual yield per unit (euros)
2	Non-salaried Staff	Person	9,649.47
3	Surface area of the premises	m ²	94.48
4	Electricity consumption	100 Kwh	81.88
NOTE : The net income resulting from the application of the above signs or modules includes, where applicable, that derived from the retail trade of hair cosmetics and hairdressing products, as well as manicure, waxing, pedicure and makeup services, provided that these activities are carried out as an accessory to the main activity.			
Amount for the purposes of the excess correction index: 18,051.81 euros			

IAE heading: 972.2 - Beauty salons and institutes

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	1,788.80
2	Non-salaried Staff	Person	14,896.21
3	Surface area of the premises	m ²	88.18
4	Electricity consumption	100 kWh	55.43
NOTE: The net income resulting from the application of the above signs or modules includes, where applicable, that derived from the retail trade of cosmetic and beauty articles, provided that this trade is limited to the products necessary for the continuation of treatments carried out in the salon.			
Amount for the purposes of the excess correction index: 26,945.44 euros			

IAE heading: 973.3 - Document copying services with photocopying machines

Module	Definition	Unit	Annual yield per unit (euros)
1	Salaried staff	Person	4.125,59
2	Non-salaried Staff	Person	17,044.03

Module	Definition	Unit	Annual yield per unit (euros)
3	Electrical power	kW contracted	541.68
NOTE: The net income resulting from the application of the above signs or modules includes, where applicable, that derived from the services of reproduction of plans and the binding of their works, provided that these activities are carried out as an accessory to the main activity of document copying services with photocopying machines.			
Amount for the purposes of the excess correction index: 24,192.95 euros			

Chapter 9. Returns on economic activities in objective estimation (II) (Agricultural, livestock and forestry activities)

The Tax Agency's electronic headquarters incorporates a "[Virtual Income Assistant](#) », where you can find out how to calculate the income derived from your agricultural, livestock or forestry activity, using the objective estimation method, including information on accessory activities and the income of the farm, such as subsidies and items that reduce the results of the activity.

Concept and scope of application

Regulations: Articles 16.2 b), 31 and thirty-second transitional provision of the Law IRPFABBR; art. 32 and ss . Regulation IRPFABBR and Order HAC/1347/2024, of November 28 (BOE November 30th)

The objective estimation method is applicable in the 2025 financial year to agricultural, livestock and forestry activities, including the work, services and ancillary activities carried out by the owners of said activities, as well as to the processes of transformation, preparation or manufacture of natural products carried out by the owners of the farms from which said products are obtained, provided that the circumstances indicated below are met.

Economic activities carried out directly by individuals

Circumstances that must occur for the application of the objective estimation method

The objective estimation method will be applicable in 2025 to agricultural, livestock and forestry activities carried out directly by natural persons in which the following circumstances exist:

1. These are activities included in the list contained in the Order HAC/1347/2024, of November 28 (BOE of November 30), which is reproduced below.

2. That the taxpayer holding the activity has not expressly or tacitly renounced the application of the objective estimation method or the special regimes: simplified and agriculture, livestock and fishing of the Value Added Tax (IVAABBR) or simplified and agriculture and livestock of the Canary Islands General Indirect Tax (IGIC).
3. That the taxpayer does not incur any cause for exclusion from the objective estimation method.

1. Activities included in the list contained in Order HAC/1347/2024, of November 28

See the section "[Agricultural, livestock, forestry and natural product processing activities](#) to which the objective estimation method applies in the 2025 fiscal year", within this chapter.

2. Waiver of the application of the objective estimation regime and the special simplified regime of VAT or IGIC

Express resignation

Regulations: Articles 33.1 a) and 4 Regulation IRPFABBR.

See also art. 5th Order HAC/1347/2024, of November 28 (BOE of November 30) and Transitional Provision Two Royal Decree-Law 8/2023, of December 27 (BOE of December 28), and art. 12 Royal Decree-Law 7/2024, of November 11 (BOE November 12th)

- The express waiver of both the objective estimation method and the simplified special regimes and those for agriculture, livestock and fishing of IVAABBR or simplified and of agriculture and livestock of IGICAs a general rule, it must be carried out by submitting the census declaration in the month of December prior to the start of the calendar year in which it is to take effect.

Thus, taxpayers who carry out activities to which the objective estimation method applies and wish to waive it for the year 2025, will have from December 1 to 31, 2024 to exercise this option.

- Exceptionally, personal income tax (IRPF) taxpayers who carry out economic activities in the municipalities listed in the annex to Royal Decree-Law 6/2024, of November 5, which adopts urgent measures to respond to the damage caused by the Isolated Depression at High Levels (DANA) in different municipalities between October 28 and November 4, 2024, and who had been determining their net income in the 2024 tax year using the objective estimation method, but had waived its application in said 2024 tax year during the month of December of that year or by submitting, within the regulatory period, the declaration corresponding to the quarterly payment for the fourth quarter of 2024 in the manner provided for the direct estimation method, may again apply said objective estimation regime in the 2025 or 2026 tax years, provided that they meet the requirements for its application, revoking the previous waiver during the month of December 2024 or 2025, or by submitting on time the declaration corresponding to the installment payment

for the first quarter of the year 2025 or 2026, as appropriate, in the manner provided for the objective estimation method. That is, the mandatory three-year link for waiving the objective estimation method is eliminated.

It is also recalled that those affected taxpayers who, in the 2024 tax year, opted to be taxed by the direct estimation method as a result of this exceptional measure, determined the net income of their activity in accordance with the simplified form of said method, and must comply with the formal obligations corresponding to said tax period provided for in sections 6 and 7 of article 68 of the Regulation applicable to taxpayers who carry out their activities by the objective estimation method.

- **In the event of starting business activity**, the waiver will be made when the tax register declaration for the start of activity is filed.

The resignation must be submitted using form 036 of census declaration of registration, modification and deregistration in the Census of entrepreneurs, professionals and withholding agents. From February 3, 2025, as a result of the development of new census assistance tools and the improvement in completion assistance programs, the simplified census declaration (model 037) is eliminated, as it is understood that the simplification that this model represented in the presentation of census declarations of registration, deregistration and modification in the census of entrepreneurs, professionals and withholding agents, can be offered through model 036 itself. See the Order for these purposes HAC/1526/2024, of December 11 (BOE January 9).

Tacit resignation

Regulations: Art. 33.1 b) Regulation IRPFABBR. See also art. 5 Order HAC/1347/2024, of November 28 (BOE November 30th)

The objective estimation method is deemed to have been waived by submitting within the statutory period (until April 20) the declaration corresponding to the fractional payment of the first quarter of the calendar year in which it must take effect in the manner provided for the direct estimation system.

In the case of starting business activity, the waiver will be understood to have been made when the instalment payment is made corresponding to the first quarter of the financial year within the regulatory period and in the manner provided for the direct assessment method.

Consequences of resignation

Regulations: Articles 33.2 and 3 Regulation IRPFABBR and 12 Royal Decree-Law 7/2024, of November 11 (BOE November 12th)

The waiver of the objective estimation method in relation to any activity gives rise, for the purposes of IRPFABBR that the taxpayer is subject to the direct estimation method, in the modality that corresponds, for the determination of the net income of all the activities that he/she carries out, during a minimum period of three years.

DANA 2024: As an exception, taxpayers who in 2024 waived the objective estimation method as a result of the damage caused by the Isolated Depression at High Levels (DANA) in the municipalities listed in the Annex of Royal Decree-Law 6/2024, of November 5, may return to paying taxes in 2025 under the objective estimation method

provided they meet the requirements for its application. This possibility is recognized in Article 12 of Royal Decree-Law 7/2024, and allows the revocation of the resignation made in 2024, without the general three-year mandatory commitment period being applicable.

After this period, it will be understood to be tacitly extended for each of the following years in which the objective estimation method may be applicable, unless a formal procedure is followed to **revocation of resignation** in the month of December prior to the start of the calendar year in which it is to take effect or, exceptionally for 2025, within the extended period indicated above.

In any case, if in the year immediately preceding the year in which the waiver of the objective estimation method must take effect, the limits determining its scope of application are exceeded, said waiver will be deemed not to have been submitted.

3. Causes for exclusion from the objective estimation method

Regulations: Transitional provision thirty-second Law IRPFABBR and art. 32.2 Regulation IRPFABBR

3.1 Exclusive quantitative limits

The following quantitative limits constitute causes for exclusion from the objective estimation method:

Note: Royal Decree-Law 16/2025, of December 23 (BOE of December 24), has modified, with effect from January 1, 2025, the thirty-second transitional provision of the Law of IRPFABBR, to extend to the tax periods 2025 and 2026 the application of the same exclusionary quantitative limits set for the fiscal years 2016 to 2024: both those relating to the volume of gross income in the immediately preceding year derived from the exercise of economic activities (250,000 euros for all economic activities, except for agricultural, livestock and forestry activities and 125,000 euros for operations for which there is an obligation to issue an invoice when the recipient is a businessman) and to the volume of purchases of goods and services (250,000 euros, excluding the acquisition of fixed assets, for all activities in objective estimation - also including agricultural, livestock and forestry activities).

A. To have achieved in the previous year (2024) a volume of income exceeding 250,000 euros per year, for all of the agricultural, livestock and forestry activities carried out by the taxpayer

Regulations: Art. 32.2 a) Regulation IRPFABBR. See also art. 3.1 b) Order HAC/1347/2024, of November 28 (BOE November 30th)

When the activity had been started in the immediately preceding year, the volume of income will increase to the year.

Note: From 1 January 2025, the compensation of the special regime for agriculture, livestock and fishing of the Value Added Tax is eliminated in the calculation of the exclusionary magnitude based on the volume of income for the set of agricultural, forestry and livestock activities. Therefore, the compensation under the special regime for agriculture, livestock and fishing of the Value Added Tax will not be counted among the taxpayer's income for the 2024 tax period, for the purposes of applying the objective estimation method in the 2025 tax period, this being a novelty with respect to the orders by which the objective estimation method of the Personal Income Tax and the simplified special regime of the VAT were developed for previous years.

To determine these limits, the following operations will be computed:

- Those that must be recorded in the sales or income record book provided for in article 68.7 of the Personal Income Tax Regulations.
- Those that must be recorded in the register provided for in article 40.1 (register of invoices received) of the Regulation of IVAABBR, approved by Royal Decree 1624/1992, of December 29 (BOE December 31).

New in 2025: From 1 January 2025, the activity of “mussel production in rafts” will be included in Annex I instead of Annex II, so the holders of this activity must apply the limit provided for in letter b) of article 3.1 of the aforementioned Order HAC/1347/2024, for the set of agricultural, livestock and forestry activities.

B. To have exceeded in the previous year (2024) the volume of purchases of goods and services for all economic activities carried out by the taxpayer the amount of 250,000 euros annually, excluding acquisitions of fixed assets

Regulations: Transitional provision thirty-second Law IRPFABBR and art. 32.2 b) Regulation IRPFABBR

In the case of subcontracted works or services, the amount thereof will be taken into account for the calculation of this limit.

When an activity had been started in the immediately preceding year, the volume of purchases will increase yearly.

Note: Royal Decree-Law 16/2025, of December 23 (BOE of December 24), has modified, with effect from January 1, 2025, the thirty-second transitional provision of the Law of IRPFABBR, to extend to the tax periods 2025 and 2026 the application of the same

exclusionary quantitative limits set for the fiscal years 2016 to 2024: both those relating to the volume of gross income in the immediately preceding year derived from the exercise of economic activities (250,000 euros for all economic activities, except for agricultural, livestock and forestry activities and 125,000 euros for operations for which there is an obligation to issue an invoice when the recipient is a businessman) and to the volume of purchases of goods and services (250,000 euros, excluding the acquisition of fixed assets, for all activities in objective estimation - also including agricultural, livestock and forestry activities).

Rules for determining the volume of gross returns and purchases:

In order to determine the volume of gross income and the volume of purchases of goods and services mentioned above, not only the operations corresponding to the economic activities carried out by the taxpayer must be taken into account, but also those corresponding to those carried out by the spouse, descendants and ascendants, as well as by entities under the income attribution regime in which any of the above participate, in which the following circumstances occur:

- **That economic activities are identical or similar.**
For these purposes, economic activities classified in the same group in the Tax on Economic Activities will be deemed to be identical or similar.
- **That there exists a common direction for such activities, sharing personal or material resources.**

In the case of transactions carried out with related entities, under the terms set forth in article 18 of the LIS, they must be valued imperatively at their normal market value, understood as the one that would have been agreed upon by independent persons or entities under conditions of free competition.

Regarding the LIS see Law 27/2014, of November 27, on Corporate Tax.

In these cases, the taxpayer must comply with the documentation obligations for said operations under the terms and conditions established in articles 13 to 16, Chapter V ("Information and documentation on related entities and operations") of Title I of the Corporate Tax Regulations, approved by Royal Decree 634/2015, of July 10 (BOE of July 11).

3.2 Other causes of exclusion from the objective estimation method

In addition to the exclusive quantitative limits, the following are causes for exclusion from the objective estimation method:

a. Develop economic activity, totally or partially, outside of Spanish territory

Regulations: Art. 32.2 c) Regulation IRPFABBR

- b. **Determine the net performance of any economic activity using the direct estimation method, in any of its forms.**

Regulations: Articles 34.2 and 35 Regulation IRPFABBR

However, if during the year an activity is started that is not included or for which the objective estimation method is waived, the exclusion will not take effect for that year with respect to the activities that were previously carried out, but rather from the following year.

- c. **The exclusion from the simplified special regime of IVAABBR or of the IGIC**

Regulations. Art. 36.2 and 4 Regulations IRPFABBR

The exclusion from the special simplified regime of the Value Added Tax or the Canary Islands General Indirect Tax will entail the exclusion from the objective estimation method for all economic activities carried out by the taxpayer.

Consequences of the exclusion of the objective estimation method

Regulations: Art. 34.3 Regulations IRPFABBR

The exclusion of the objective estimation method for any of the circumstances mentioned above takes effect only in the year immediately following the year in which said circumstance occurs and will entail inclusion during the following three years in the scope of application of the simplified form of the direct estimation method, unless it is waived.

Economic activities carried out through entities under the income attribution regime

Regulations: Art. 39 Regulations IRPFABBR

Entities under [income attribution regime that carry out agricultural, livestock or forestry activities](#) apply the objective estimation method to determine the net income of said activities regardless of the circumstances that occur individually in their partners, heirs, co-owners or participants, provided that, in addition to the general conditions indicated above for economic activities carried out by natural persons, the following requirements are met:

- **That all partners, heirs, joint owners or participants are natural persons who are taxpayers for the IRPFABBR.**
- **That the application of the objective estimation method has not been waived in a timely manner.**

The resignation must be formulated unanimously by all the partners, heirs, commoners or participants that make up the entity; However, the revocation of the resignation may be submitted by only one of them.

Note: *In order to define the scope of application of the objective estimation method to entities under the income attribution regime, not only the operations corresponding to the activities carried out by the entity itself must be taken into account, but also those corresponding to those carried out by its partners, heirs, co-owners or participants; the spouses, descendants and ascendants of these; as well as by other entities under an attribution regime in which any of the above persons participate and in which the circumstances expressed in the Rules for determining the volume of gross and purchase returns concur.*

In any case, the net income determined by the entity under the income attribution regime will be attributed to the partners, heirs, co-owners or participants, according to the rules or agreements applicable in each case and, if these are not reliably recorded by the Administration, it will be attributed in equal parts.

Agricultural, livestock, forestry and natural product processing activities to which the objective estimation method is applicable in 2025

Table: List of Activities

Regulations: Order HAC/1347/2024, of November 28 (BOE November 30th)

Activity	Password
Agricultural or livestock that may be included in the special regime for agriculture, livestock and fishing of the Value Added Tax	1
Forestry eligible for inclusion in the special regime for agriculture, livestock and fishing of the Value Added Tax	2
Independent livestock farming classified in Division 0 of the Tax on Economic Activities (IAE)	3
Livestock breeding, keeping and fattening services	4
Other work, services and accessory activities carried out by farmers or ranchers, which are excluded or not included in the special regime for agriculture, livestock and fishing of the Value Added Tax	5
Other works, services and accessory activities carried out by holders of forestry activities, which are excluded or not included in the special regime for agriculture, livestock and fishing of the Value Added Tax	6
Uses that correspond to the transferor in agricultural activities carried out under a sharecropping regime	7
Uses that correspond to the transferor in forestry activities carried out under a sharecropping regime	8
Processes of transformation, elaboration or manufacturing of natural, vegetable or animal products, which require registration in a section corresponding to industrial activities in the rates of the IAE and are carried out by the owners of the farms from which said natural products are directly obtained.	9
Mussel production in rafts, with a maximum of 5 rafts on any day of the year	10

Note: Each of the ten activities listed above is considered independent of each other for the purposes of applying the objective estimation method, so if several are carried out, the determination of the net income must be made separately for each one.

Delimitation of each of the activities

The following details the characterization of each of the aforementioned agricultural, livestock and forestry activities included in the objective estimation method in the 2025 fiscal year.

Note: Activities numbered with keys 5 and 6 are only subject to the objective estimation method when the joint volume of income attributable to them is lower than that corresponding to the agricultural, livestock or forestry activities carried out as their main activity .

Activity 1: Agricultural or livestock likely to be included in the special VAT regime for agriculture, livestock and fishing

For the purposes of applying the objective estimation method, agricultural and livestock activities are considered to be those agricultural activities through which natural, plant or animal products are obtained directly from farms, which are not subject to transformation, production or manufacturing processes for whose exercise it is mandatory to register in a section corresponding to industrial activities in the rates of the Tax on Economic Activities (IAE).

Likewise, in the objective estimation method, the set of agricultural or livestock activities carried out by the same owner that are eligible to be included in the special regime for agriculture, livestock and fishing of the Value Added Tax are considered as a single activity.

Consequently, in addition to sales or income from or related to the agricultural or livestock farms themselves, the income derived from the performance for third parties of other accessory work or services with the means ordinarily used in said farms is understood to be attributable to this sole activity, provided that the amount thereof had not exceeded 20% of the total volume of operations from all of the aforementioned farms in the immediately preceding year.

Livestock farming considered to be included in this activity for the purposes of applying the objective estimation method:

As regards livestock farming considered to be included in this activity, it should be noted that this is not considered to be independent livestock farming, as defined in the section relating to activity 3 ([independent livestock farming classified in division 0 of the IAE](#)).

Activity 2: Forestry likely to be included in the special VAT regime for agriculture, livestock and fishing

For the purposes of applying the objective estimation method, forestry activity is considered to be that agricultural activity through which natural products are obtained directly from the farm, which are not subject to transformation, processing or manufacturing processes, for whose

exercise it is mandatory to register in a section corresponding to industrial activities in the rates of the Tax on Economic Activities (IAE).

In addition to sales or income from or related to forestry operations themselves, income derived from the performance for third parties of other accessory work or services with the means ordinarily used in said operations is also understood to be attributable to this activity, provided that the amount thereof did not exceed 20% of the total volume of operations from all of the aforementioned operations in the immediately preceding year.

Activity 3: Independent livestock farm classified in division 0 of the IAE

The concept of independent livestock farming is included in sections One and Two of Rule 3 of the Instruction for the application of the rates of Division 0 of the IAE , approved by Royal Legislative Decree 1259/1991, dated August 2 (BOE of August 6), according to which, the following are considered to be independent livestock farming activities: those that have as their object the exploitation of a group of heads of cattle that are included in any of the following cases:

a. Grazing or foraging primarily on land that is not farmed or forested by the owner of the livestock.

For these purposes, it will be understood, in any case, that the lands are exploited by the owner of the livestock when any of the following circumstances occur:

- That the owner of the cattle is the cadastral owner or owner of the land.
- When you carry out on your own behalf, in any capacity, activities such as fertilizing pastures, mowing, haymaking, baling, fallowing, harvesting, pruning, browsing, harvesting, etc., necessary to obtain hay, straw or feed that is primarily fed to livestock.

b. Stabling outside rural estates , not considering as such, livestock that is fed primarily with products obtained from its owner's agricultural or forestry farms, even when the livestock facilities are located outside the land.

c. Transhumant or transterminant , not considered as such, the livestock that is fed mainly with pastures, silos, hay or feed obtained on land exploited by the owner of the livestock.

d. Livestock that is fed primarily with feed not produced on the farm where it is raised.

For these purposes, it is understood that livestock is fed primarily with feed not produced on the farm where it is raised, when the proportion of these is greater than 50% of the total feed consumption, expressed in kilograms.

Differentiated sectors within the independent livestock activity

However, considering independent livestock farming as a single activity for the purposes of the objective estimation method, for the application of the net performance indices it is necessary to distinguish between the income coming from, or attributable to, the following types of farms or differentiated sectors:

- Meat pigs, meat cattle, meat sheep, meat goats, poultry and rabbit farming.
- Pig farming, cattle farming, dairy sheep, dairy goats and beekeeping.
- Dairy cattle.
- Other livestock activities not expressly included in other sections.

Activity 4: Livestock breeding, guarding and fattening services (including poultry)

The services of breeding, keeping and fattening livestock constitute an activity to which the objective estimation method of IRPFABBR.

However, if the provision to third parties of livestock breeding, keeping and fattening services is carried out with the means ordinarily used for the development of one's own agricultural, livestock or forestry activity included in the Special Regime for Agriculture, Livestock and Fisheries of the IVAABBR and the volume of income derived from them together with that derived from other ancillary work and services of the aforementioned special regime of IVAABBR. If the services had not exceeded 20 percent of the total volume of the operation in the previous year, such services will not be considered as an independent activity for the purposes of applying the objective estimation method, but will be counted as part of the main activity carried out as ancillary services to it.

Activity 5: Other jobs, services and accessory activities carried out by farmers or ranchers, which are excluded or not included in the special VAT agriculture, livestock and fishing regime (REAGP)

No comments can be made regarding this activity.

Activity 6: Other work, services and accessory activities carried out by owners of forestry activities, which are excluded or not included in the special VAT regime for agriculture, livestock and fishing (REAGP)

Each of these activities, which are configured as independent for the purposes of applying the objective estimation method, includes the following areas or sectors:

Ancillary work and services provided by farmers, ranchers or forestry activity owners that are excluded from the REAGP

This is considered to be the work carried out by farmers, ranchers or owners of forestry activities to third parties using the means they normally use on their own farms. Examples include, but are not limited to:

- The tasks of planting, sowing, cultivation, harvesting and transportation.
- Packaging and conditioning of products, including drying, cleaning, peeling, cutting, ensiling, storage and disinfection.

- Technical assistance.
- The leasing of tools, machinery and facilities normally used to carry out agricultural or livestock activities.
- The elimination of harmful plants and animals, and the fumigation of plantations and land.
- The operation of irrigation or drainage facilities.
- The felling, thinning, chipping and debarking of trees, forest clearing and other similar complementary forestry services.

The accessory requirement determining their inclusion in the objective estimation method is conditioned on the amount obtained from carrying out said work or services, together with that of the accessory activities discussed below, being lower than that corresponding to the main agricultural, livestock and forestry activities.

Otherwise, since the accessory requirement is lacking, said works and services are not considered included in the objective estimation method.

The exclusion of ancillary works and services from REAGP This occurs in those cases where the total revenue from all activities carried out in the previous year (2024), including income from livestock breeding, guarding and fattening services, exceeded 20 percent of the total volume of operations of the main agricultural, livestock or forestry operation.

If in the 2024 financial year the volume of operations of the ancillary works and services did not exceed 20 percent of the total volume of operations of the main activity, the income derived from the performance of the aforementioned works and services does not constitute the object of the activities numbered with the codes 5 and 6, but will be included as a separate service of the agricultural or livestock (code 1) or forestry (code 2) activity carried out.

Ancillary activities carried out by farmers, ranchers or holders of forestry activities not included in the REAGP

This category includes agrotourism, crafts, hunting and fishing, as well as other recreational and leisure activities in which the farmer, rancher or owner of the forestry activity participates as a monitor, guide or expert.

If the aforementioned activities are ancillary to the main activity in the sense discussed above, since they are not included in the special regime for agriculture, livestock and fishing of IVAABBR, will always be declared in activity codes numbers 5 or 6, as appropriate.

Activity 7: Uses that correspond to the transferor in agricultural activities carried out under a sharecropping regime

No comments can be made regarding this activity.

Activity 8: Uses that correspond to the transferor in forestry activities carried out under a sharecropping regime

According to the provisions of the Civil Code, the sharecropping contract is governed, among other provisions, by those relating to the partnership contract. Therefore, to the extent that the transferor assumes part of the risks and responsibilities arising from the operation, tax regulations consider him to be an agricultural entrepreneur or direct grower.

The sharecropping contract is one by virtue of which the owner of a farm or exploitation temporarily transfers its use and enjoyment, or that of some of its benefits, as well as that of the exploitation elements, livestock, machinery or working capital, agreeing with the sharecropper transferee to divide the products in aliquot parts in proportion to their respective contributions.

Both the transferor and the sharecropper are farmers and receive income from business activities when the transferor intervenes in the management of means of production and/or human resources. Otherwise, it will be classified as real estate capital gains, such as income received from the ownership of a property.

Activity 9: Transformation, elaboration or manufacturing processes of natural, plant or animal products, which require registration in an heading corresponding to industrial activities in the IAE rates and are carried out by the owners of the farms from which said natural products are directly obtained.

For the purposes of delimiting the objective scope of this activity, it must be taken into account that the acts of mere conservation of the goods, such as pasteurization, refrigeration, freezing, drying, classification, cleaning, packaging or conditioning, peeling, barking, chipping, chopping, disinfection or disinfestation, are not considered as such processes of transformation, elaboration or manufacturing of natural products. Nor is the simple obtaining of agricultural raw materials that do not require the slaughter of livestock considered a transformation process.

In all these cases, the only activity that must be declared will be agricultural or livestock activity, indicated with codes 1 or 3, or forestry, indicated with code 2, from which the corresponding products are obtained.

The processes of transformation, elaboration or manufacturing of natural products included in the objective estimation method require that they be carried out exclusively on natural, plant or animal products, obtained by the owners of the farms from which they are obtained. In the event that products purchased from third parties are transformed, produced or manufactured, said activity is not included in the objective estimation method.

When it comes to the transformation of forest products, amortizations are not deductible to determine the previous net yield of the activity and no other corrective index other than that specific to forestry activities is applicable to determine the net yield of modules.

Activity 10: mussel production in rafts, with a maximum of 5 rafts on any day of the year

From 1 January 2025, mussel farming activity in rafts, with a maximum of 5 rafts on any given day of the year, is included along with other agricultural, forestry and livestock activities for the purposes of objective estimation in IRPFABBR. Therefore, the exclusionary quantitative limit will be its revenue volume calculated in accordance with the provisions of art.3.1.b) of the Order HAC/1347/2024.

Determination of net income

Introduction: scheme

Regulations: See Annex I and instructions for the application of the signs, indices or modules in the IRPFABBR contained within it Order HAC/1347/2024, of November 28 (BOE November 30th).

Net income is the result of the sum of the net income corresponding to each of the [agricultural, livestock and forestry activities](#) carried out by the taxpayer.

The net income corresponding to each activity must be obtained by successively carrying out the operations schematically indicated below:

Phase 1

TOTAL INCOME (including subsidies, compensation and aid CAP single payment)

(×) NET PERFORMANCE INDEX

(*) When the recipient of the single payment direct aid from the CAP has obtained income from agricultural and livestock activities, other than direct aid, for an amount less than 25% of the total amount of income from such activities, the net performance index to be applied to direct aid will be 0.56.

= PREVIOUS NET YIELD

Phase 2

(-) AMORTIZATION OF TANGIBLE AND INTANGIBLE FIXED ASSETS (excluding forestry activities)

= REDUCED NET INCOME

Phase 3

(×) CORRECTION INDEXES (depending on the type of activity and certain circumstances)

= NET YIELD OF MODULES

Phase 4

(-) GENERAL REDUCTION: 5 PER 100

(-) YOUNG FARMERS REDUCTION: 25%

(-) REIMBURSEMENT OF GRANTS

(-) EXTRAORDINARY EXPENSES DUE TO EXCEPTIONAL CIRCUMSTANCES (fires, floods, subsidence, etc., reported to the AEAT in a timely manner)

= NET INCOME FROM THE ACTIVITY

Phase 5

(-) REDUCTION DUE TO IRREGULARITY: 30% (Reductions in returns generated over more than 2 years or obtained in a notoriously irregular manner)

= REDUCED NET PERFORMANCE OF THE ACTIVITY

Phase 1: Determination of prior net performance

Regulations: See Annex I and instruction 2.1 of said Annex I Order HAC/1347/2024, of November 28 (BOE November 30th)

a) Comprehensive income and net return rates

In general

To calculate the prior net income, the income obtained from products or services derived from agricultural, livestock and forestry activities and the "net income indices" applicable to each of them must be taken into account.

For this purpose, within each agricultural, livestock and forestry activity that is considered independent, the total income from each of the types of products obtained, or services provided, will be recorded in section D3 of the declaration in the corresponding box of those numbered 1 to 16 according to the relationship contained in [table](#) reproduced in its specific section.

The "net return index" applicable in each case will be applied to said income. For the 2025 financial year, the applicable net performance indices are those listed in the table contained in the [chart](#) which appears in this chapter and which are reproduced in Annex I and in the Second Additional Provision of the Order HAC/1347/2024, of November 28 (BOE November 30th).

Reduction in performance due to exceptional circumstances

Regulations: Article 37.4.1 and 2 of the Regulations IRPFABBR. See also Annex III Order HAC/1347/2024, of November 28 (BOE November 30th).

However, in cases where the Minister of Finance has authorized the reduction of said indices for a specific sector or geographical area, due to the development of agricultural or livestock activities having been affected by fires, floods or other exceptional circumstances, the net performance indices approved in the ministerial orders published for this purpose shall apply.

Likewise, when the development of activities is affected by fires, floods, subsidence or major breakdowns in industrial equipment, which entail serious alterations in the development of the activity, interested parties may request the reduction of the signs, indexes or modules applicable in the Administration or Delegation of the Tax Agency corresponding to their tax domicile, within 30 days from the date on which they occur, providing the evidence they consider appropriate and mentioning, where appropriate, the compensation to be received due to such alterations.

Once the effectiveness of these changes has been confirmed, the reduction of the signs, indices or modules that are appropriate may be authorized.

b) Net performance indices applicable to products or services derived from agricultural, livestock and forestry activities in objective estimation

Regulations: Order HAC/1347/2024, of November 28 (BOE November 30th)

Product code	Types of products or services included	Net return index
1	Beef pigs	Natural products: 0.13 Transformation processes: 0.23
2	Sugar beet	
3	Beef cattle, beef sheep, beef goats, poultry and rabbit farming	
4	Forestry activities with an "average cutting period" of more than 30 years	
5	Dairy cattle	Natural products: 0.20 Transformation processes: 0.30
6	Cereals, citrus fruits, nuts, horticultural products, potatoes, legumes, grapes for table wine without designation of origin, olive products, mushrooms for human consumption and tobacco	Natural products: 0.26 Transformation processes: 0.36
7	Pig breeding, cattle breeding, dairy sheep, dairy goats and beekeeping	
8	Forestry activities with an "average cutting period" equal to or less than 30 years	
9	Table grapes, grapes for table wine with designation of origin, oilseeds, rice and flowers and ornamental plants	

10	Other livestock species not expressly included in other codes	Natural products: 0.32
11	Forestry activity dedicated to resin extraction	Transformation processes: 0.42
12	Roots (except sugar beets), tubers, fodder, cotton, non-citrus fruits and other agricultural products not expressly included in other codes	Natural products: 0.37 Transformation processes: 0.47
13	Textile plants	Natural products: 0.42 Transformation processes: 0.52
14	Ancillary activities carried out by farmers, ranchers or owners of forestry farms	Net performance index: 0.42
15	Other ancillary work and services performed by farmers, livestock breeders or owners of forestry and mussel farming operations.	Net performance index: 0.56
16	Breeding, keeping and fattening services for any type of livestock	Net performance index: 0.37

Disclaimer: The net performance indices corresponding to the "Transformation processes" heading will only be applied to the activity identified with key 9, "Transformation, production or manufacturing processes of natural, vegetable or animal products, which require registration in a section corresponding to industrial activities in the IAE rates and are carried out by the owners of the farms from which said natural products are directly obtained."

c) Rules for calculating income corresponding to each type of product or service

1. Transformation, processing or manufacturing activities

The value of natural, plant or animal products used in the corresponding production process will be recorded as income , **according to their market prices** at the time of their incorporation into said process. Likewise, where applicable, income from self-consumption, subsidies and compensation will be included in the terms discussed below.

Note: *If, during the year 2025, products manufactured in years prior to 1998 were transferred, the value of the natural products used in the production process must be included as income for the year 2025, in accordance with their market prices at the time of their incorporation into the transformation, processing or manufacturing processes.*

2. Sales or provision of services

It includes all gross income, whether in cash or in kind, derived from the delivery of products that constitute the object of the activity, as well as, where applicable, those derived from the provision of work and services accessory to the main activity.

In the case of remuneration in kind, both the tax valuation of said remuneration and the corresponding payment on account will be computed as full income, provided that it has not been passed on to the owner of the economic activity.

When there is consideration and it is significantly lower than the normal market value of the goods sold and the services provided, they will be valued at their normal market value.

In economic operations carried out with a company with which there are relationships of connection, in the terms provided for in article 18 of the LIS, the owner of the activity must imperatively carry out its valuation at the normal market value. Normal market value shall be understood as that which would have been agreed upon by independent persons or entities under conditions of free competition.

Regarding the LIS see Law 27/2014, of November 27, on Corporate Tax.

Associated persons or entities:

To determine when there is a link, the provisions of article 18.2 of the LIS must be taken into account, in which the following are considered linked persons or entities:

- An entity and its partners or shareholders.
- An entity and its directors or administrators, except with regard to remuneration for the performance of their functions.
- An entity and the spouses or persons related by kinship, in a direct or collateral line, by consanguinity or affinity up to the third degree of the partners or participants, directors or administrators.
- An entity and the directors or managers of another entity, when both entities belong to a group.

In cases where the link is defined based on the relationship of the partners or participants with the entity, the participation must be equal to or greater than 25%. The reference to administrators will include those de jure and those de facto. In cases where the link is not defined based on the relationship between partners or participants-entity, the percentage of participation to be considered will be 25%.

In these cases, the taxpayer of IRPFABBR must comply with the documentation obligations for related-party transactions under the terms and conditions established in Chapter V (Articles 13 to 16) of the Corporate Income Tax Regulations, approved by Royal Decree 634/2015, of July 10 (BOE July 11).

Consideration of compensation or passed-through fees IVAABBR:

- a. **In the case of activities included in the special regime for agriculture, livestock and fishing** of the aforementioned tax, the compensation received must be included among the corresponding income derived from sales or from the provision of work or services.
- b. **If the activity is covered by the simplified regime of IVAABBR**, the amount of the fees charged will not be counted as income.

3. Self-consumption and free transfers

These concepts include the delivery of goods and provision of services whose destination is the personal use or consumption of the owner of the activity or the other members of his/her family unit (internal self-consumption), as well as the delivery of goods or provision of services made to other people free of charge (external self-consumption).

In either case, the valuation for tax purposes of the income corresponding to these operations must imperatively be carried out at the **normal market value** of the goods or services transferred, or which have been the subject of self-consumption.

4. Subsidies, aid and other transfers received

Current and capital subsidies

In relation to the subsidies received, a distinction must be made between capital and current subsidies.

- **Capital grants** are those whose primary purpose is to promote the installation or realization of investments in fixed assets (land, buildings, machinery, installations, etc.) and are recorded as income to the same extent as the fixed assets in which they have been materialized are depreciated.

However, in those cases where the assets are not susceptible to amortization, the subsidy will be applied as full income for the year in which the sale or write-off in inventory of the asset financed with said subsidy occurs, applying the 30% reduction typical of [returns obtained in a notoriously irregular manner over time](#).

- **Current subsidies** which are those normally granted to guarantee a minimum profitability or compensate for losses incurred in the activity, are computed in their entirety as another income in the period in which the granting of the subsidy is firmly recognized and quantified, regardless of the moment in which it is received and unless the taxpayer has opted for the collection and payment criterion, in which case they will be computed in the period in which they are collected.

In this regard, the following should be taken into account: [summary table](#) of measures approved as a consequence of the DANA contained in chapter 2 of this Manual.

Note: Please note that direct grants to compensate for the effects of drought on agricultural production in certain provinces of the Spanish Mediterranean region, intended for producers of nuts in dryland farming and hazelnuts in irrigated farming, located in provinces that have suffered a significant loss of production due to drought in 2024, are taxed as current subsidies. These provinces are Almería, Alicante,

Castellón, Murcia, Valencia and Tarragona. In this last province, hazelnut producers in irrigated areas will also be able to receive aid due to the lack of irrigation water suffered during 2024. See Royal Decree 347/2025, of April 22, approving direct aid to compensate for the effects of drought on agricultural production in certain provinces of the Spanish Mediterranean arc, as well as Commission Implementing Regulation (EU) 2025/441 of March 6, 2025.

- **Grants awarded to finance specific expenses** : They are recorded as income in the same year in which the expenses they are financing are accrued.

See in this regard the recording and valuation standard 18 of the General Accounting Plan.

Special rules applicable to certain subsidies or aid

Without prejudice to the peculiarities that may arise from the regulatory regulations or the specific conditions of each of them, it is worth mentioning the treatment applicable, in general, to the following subsidies or aid:

- **Direct aid decoupled from the Common Agricultural Policy** (basic income support for sustainability, complementary redistributive income support, or complementary aid for young farmers) will be added to the income from the crops or farms of the recipient in proportion to their respective amounts.

However, the treatment of direct aid decoupled from the Common Agricultural Policy will remain in place for 2025. Consequently, **When the recipient of the direct aid has obtained income from agricultural and livestock activities, other than the direct aid, for an amount less than 25 percent of the total amount of income from such activities, the net performance index to be applied to the direct aid will be 0.56.**

Precision: The only aid under the Common Agricultural Policy that is affected by the provisions of the preceding paragraph is decoupled direct aid, so all aid linked to specific productions must be added to the income obtained from said productions for the application of the corresponding net return index.

In these cases, in addition to the general reduction of 5 percent (2025) and the reduction provided for young farmers, the corrective indices discussed below for agricultural and livestock activities may be applied, if appropriate, since the fact that no direct income has been obtained from these activities does not imply, in any case, that no activity has been carried out, given that the receipt of direct aid requires the recipients to carry out certain maintenance work on the farms. Depreciation may also be reduced as appropriate.

- **Public aid provided for in the National Framework for Rural Development in Spain.** In this case, when the recipient of direct aid has not obtained any income from agricultural or livestock activities, the net return index to be applied will be 0.56.
- **Subsidies for interruptions in crops or farms** . If the subsidy or aid is granted for the interruption of a specific crop or livestock production and is intended to compensate for lost income, the net yield index corresponding to the crop or production that was previously carried out will be applied to the amount that, where applicable, must be computed in the financial year.

- **Subsidies not linked to specific crops or productions** . When subsidies are received that are not linked to a specific crop or production, such as those for the withdrawal of land from production or fallow land, the amount of the subsidy that must be computed in the year will be distributed among the remaining crops or farms that the farmer or rancher carries out, in proportion to the income from each of them, subsequently accumulating them to these for the purposes of applying the corresponding net return indices.
- **Subsidies received to contract agricultural insurance** . The subsidies received by farmers or ranchers who take out combined agricultural insurance policies, whether received from the State Agricultural Insurance Entity (ENESA) or from the Autonomous Communities, should not be included among the income taken as a basis for determining the net return, since in order to establish the net return indices applicable to each type of crop or product, the cost of the insurance was already taken into account as what the policyholder actually pays, once the subsidized part has been deducted.
- **Insurance compensation** . The amount of compensation received from insurance companies as a result of incidents affecting farm products, whether in progress or finished, will be included in the total income corresponding to the type of crop or production in question.

This type of incident or loss does not include expenses arising from the destruction of animals, so the **compensation paid by the insurance to cover expenses arising from the destruction of animals** will not be included in the total volume of income from the activities.

- **Certain subsidies or aid from the Community agricultural policy (CAP)** , as well as other public subsidies that aim to repair the destruction, in certain circumstances, of affected heritage elements, have a special tax treatment, which can be consulted in [Chapter 7](#) of this Manual.
- **Forestry subsidies** . Subsidies granted to those who exploit forest farms managed in accordance with technical forest management plans, forest management, forestry plans or reforestation plans approved by the competent forestry authority will not be included in the tax base, provided that the average production period, depending on the species in question, is equal to or greater than 20 years.
- **Extraordinary aid to compensate for the loss of income on affected farms.**

*Article 24 of Royal Decree-Law 7/2024, of November 11, establishes extraordinary and temporary aid, complementary to that of article 11 of Royal Decree-Law 6/2024 referred to in the previous point, **to compensate for the loss of income in agricultural holdings that have suffered damage as a result of the DANA, in the municipalities included in the annex of Royal Decree-Law 6/2024, of November 5.***

This aid will be exempt by application of the Fifth Additional Provision of the Personal Income Tax Law. Unlike the previous provision, it is granted under the de minimis aid system, so it is subject to the limits established in the Regulations (##).

The aforementioned aid will be granted to the owners of any agricultural, livestock or agricultural plot located in the aforementioned municipalities that have suffered damages greater than 40%. 100% in their production, plantation, livestock census or crop and

infrastructure protection system, provided that they are eligible for insurance under the Combined Agricultural Insurance System, provided that they meet the requirements set out in Article 24 for this purpose.

The amount will not exceed the limit of 25,000 euros per beneficiary and will be deducted, where applicable, from the direct aid paid under Article 11 of Royal Decree-Law 6/2024. Under no circumstances may the limits established by EU regulations for de minimis aid be exceeded.

For these purposes, the following Regulations should be taken into account (EU) 1408/2013, of 18 December 2013, and 712/2014, of 27 June 2014, of the Commission.

Note: benefits received from Social Security for temporary disability, risk during pregnancy or provisional disability, where applicable, will be taxed as employment income.

Example: Determination of the previous net performance of the activity

Mrs. MJI In 2025, he obtained €13,800 in income from his agricultural holding dedicated to apple production, including the amount received as compensation for IVAABBR (for the purposes of this tax it is covered by the special regime for agriculture, livestock and fishing).

This amount does not include the fruit that he intended for his own family consumption, which is valued at 30 euros, nor the fruit he gave to various friends, whose market value is 200 euros (200 kg at 1 euro/kg). In addition, in 2025 he received 1,800 euros from an insurance company for damages suffered to the harvest as a result of a hailstorm, as well as 2,200 euros in direct aid decoupled from the Common Agricultural Policy.

Determine the net prior performance of the activity in the 2025 financial year.

Solution:

Mrs. MJI must compute as income the sum of:

- Selling apples: 13.800
- Self-consumption: 30
- Free transfers: 200
- Compensation for apple harvest: 1,800 (*)
- Direct aid decoupled from the CAP : 2,200(**)

Sum (13,800 + 30 + 200 + 1,800 + 2,200) = **18,030 euros**

The net return index applicable to the aforementioned income is **0.37**

Previous net performance: (18,030 x 0.37) = **6,671.10 euros**

Note to example:

(*) Upon receipt of compensation for the loss of farm products, its amount is in no case considered capital gain or loss, but is computed among the total income corresponding to the type of product damaged or lost. [\(Back\)](#)

(**) In this case, the net rate of return of 0.56 is not applied to the direct aid decoupled from the CAP received, given that the total income from agricultural and livestock activities, other than direct aid, obtained by the taxpayer is not less than 25% of the total amount of income from such activities. Therefore, the amount of direct aid received is added to the income from the different crops and farms. [\(Back\)](#)

Phase 2: Determination of reduced net income

Regulations: See Annex I and instruction 2.2 of the aforementioned Annex I Order HAC/1347/2024, of November 28 (BOE November 30th)

The determination of the reduced net income is the result of deducting from the previous net income determined in phase 1 above the amounts corresponding to the concepts discussed below:

Amortization of tangible and intangible assets (except forestry activities)

Amortization table

The determination of the amounts that, as amortization of the tangible or intangible fixed assets related to the activity, correspond to the effective depreciation suffered by the different elements related to operation, use, enjoyment or obsolescence, will be carried out by applying the amortization table included in the Order HAC/1347/2024, of November 28 (BOE November 30th) which is reproduced below:

Group	Description	Maximum linear coefficient	Maximum period
1	Buildings and similar	5 per 100	40 years
2	Useful tools, equipment for information processing and computer systems and programs	40 percent	5 years
3	Mussel platform	10 percent	12 years
4	Boat	10 percent	25 years
5	Transport elements and other tangible fixed assets	25 percent	8 years

(*) For acquisitions of new assets made between January 1, 2003 and December 31, 2004, the maximum applicable linear amortization coefficients will be the result of multiplying those indicated in the table by 1.1. The new coefficient thus determined will be applicable during the useful life of the new assets acquired in the period indicated above. [\(Back\)](#)

Group	Description	Maximum linear coefficient	Maximum period
6	Intangible assets	15 percent	10 years
7	Bovine, porcine, ovine and caprine stock	22 per 100	8 years
8	Horse cattle and non-citric fruit trees	10 percent	17 years
9	Citric fruit trees and vineyards	5 per 100	45 years
10	Olive grove	3 per 100	80 years

(*) For acquisitions of new assets made between January 1, 2003 and December 31, 2004, the maximum applicable linear amortization coefficients will be the result of multiplying those indicated in the table by 1.1. The new coefficient thus determined will be applicable during the useful life of the new assets acquired in the period indicated above. [\(Back\)](#)

Note: In the case of forestry activities, no reduction will be applicable in the form of amortization of tangible and intangible fixed assets related to them.

Particular rules for the application of the amortization table

Regulations:Instructions 2.2 of Annexes I and II Order HAC/1347/2024, of November 28 (BOE November 30th)and Fifty-ninth Additional Provision of the Law IRPFABBR

Note: Possibility of applying the free amortization system to certain vehicles and new charging infrastructures

Royal Decree-Law 4/2024, of June 26, extending certain measures to address the economic and social consequences of the conflicts in Ukraine and the Middle East and adopting urgent measures in fiscal, energy and social matters (BOE of June 27) introduced a new fifty-ninth Additional Provision in the Law of IRPFABBR by virtue of which the application of the freedom of amortization provided for in the Eighteenth Additional Provision of the LIS to the taxpayers of IRPFABBR that determine the net income of their economic activity according to the objective estimation method.

As a consequence of the above, from January 1, 2024, taxpayers who determine the net income of their economic activity according to the objective estimation method, may apply this [freedom of amortization](#), provided for in the Eighteenth Additional Provision of the LIS, with respect to investments in vehicles and charging facilities related to it.

- **The usable amortization coefficient can be any percentage between the maximum and the minimum.** This last percentage is the result of dividing 100 by the maximum period shown in the table for each group of elements.
- **The depreciation coefficient is applied to the acquisition price or production cost** , if the item has been produced in the company itself, excluding:
 - The residual value, if applicable, for all items.
 - The value of land for buildings. When the portion of the acquisition price corresponding to the value of the land is not known, this value will be determined by apportioning the acquisition price between the cadastral values of the land and the construction in the year of acquisition.
 - The IVAABBR supported in its acquisition or production when the asset is used for an economic activity included in the simplified regime of the aforementioned Tax.
- **Amortization must be carried out element by element** , although when it concerns assets integrated into the same group of the Amortization Table, amortization may be carried out on the set of them, provided that the amortization corresponding to each asset can be known at all times.
- The **tangible fixed assets** will begin to be depreciated from the moment they are put into operating condition and the **intangible fixed assets** from the moment they are in a condition to generate income. The amortization period cannot exceed the maximum amortization period established in the table for each type of item.
- **In the case of tangible fixed assets that are acquired used** , depreciation will be carried out on the acquisition price, up to the limit resulting from multiplying by two the amount derived from applying the maximum linear depreciation coefficient.
- **In the event of transfer of use of assets with an option to purchase or renew** , when due to the economic conditions of the operation there are no reasonable doubts that one or the other option will be exercised, the transferee shall be deductible, as amortization, an amount equivalent to the amortization instalments that would correspond to the aforementioned assets, applying the coefficients provided for in the amortization table to the acquisition price or production cost of the asset.
- Regarding the **new tangible fixed assets** Assets made available to the taxpayer in the 2025 fiscal year, whose unit value does not exceed 601.01 euros, may be freely amortized, up to a limit of 3,005.06 euros per year.
- In any case, the **documentary evidence** of the acquisition of the amortizable elements must be available and they must be duly registered in the corresponding investment asset registry book.
- **From 1 January 2024** , taxpayers who carry out their economic activity using the objective estimation method may apply the **freedom of amortisation** provided for in the Eighteenth Additional Provision of the LIS **for certain vehicles and new charging infrastructures related to the aforementioned economic activity**, subject to certain requirements.

For these purposes, see the section dedicated to “ [Depreciation of certain vehicles and new charging infrastructure](#) ” in Chapter 7 of this manual, specifically the corresponding subsection “B. “Other taxpayers.”

Phase 3: Determining the net yield of modules

Regulations: See Annex I and instruction 2.3 of the aforementioned Annex I Order HAC/1347/2024, of November 28 (BOE November 30th)

The net return of modules is obtained by applying the corrective index or indexes that correspond to the activity to the reduced net return.

These correction factors for the year 2025 are:

Index 1. Exclusive use of other people's means of production in agricultural activities

Regulations: Instruction 2.3.a) of Annex I Order HAC/1347/2024, of November 28 (BOE November 30th)

Index 0.75 will be applied when agricultural activities use only means of production, without considering the land for these purposes.

Both labor and capital are understood as foreign means of production, with the exception of land and elements permanently attached to it, such as wells, trees and buildings that form part of the operation. Therefore, for this correction index to be applicable, the owner must not personally work on the activity (except in tasks related to management, organization and planning thereof) but must employ entirely external labor; Furthermore, all elements of the operation other than the land in the terms discussed above must be provided by third parties.

As an exception, this index will not apply in cases of sharecropping and similar figures.

Index 2. Use of salaried personnel

Regulations: Instruction 2.3.b) of Annex I Order HAC/1347/2024, of November 28 (BOE November 30th)

When salaried personnel are used in the activity whose cost exceeds 10% of the total volume of income, the corrective index that is applicable in each case from those indicated below will be applicable, depending on the percentage that the cost of salaried personnel represents in relation to the total volume of income of the activity:

Correction index applicable for the use of salaried personnel

Percentage (cost of salaried personnel/volume of income x 100)	Contents
More than 10% and up to 20%	0.90

Percentage (cost of salaried personnel/volume of income x 100)	Contents
More than 20% and up to 30%	0.85
More than 30% and up to 40%	0.80
More than 40 percent	0.75

In determining the index for the use of salaried personnel, neither the cost of personnel nor the income from forestry activities or from the processing of forest products shall be taken into account.

Incompatibility with index 1: *This index will not apply when the performance of the activity has been subject to a reduction due to the effect of index 1 ("Exclusive use of third-party means of production in agricultural activities").*

Index 3. For crops grown on rented land

Regulations: Instruction 2.3.c) of Annex I Order HAC/1347/2024, of November 28 (BOE November 30th)

The index 0.90 will be applied when crops are grown, in whole or in part, on rented land. The reduction will be applied to the portion of the reduced net income from the activity that comes from said crops (once rectified, where appropriate, by the effect of the application of the previous corrective indices).

In order to delimit the part of the reduced net income from the activity to which this index is applied, it will be necessary to distinguish the part of the previous net income from the activity and the depreciation of the fixed assets assigned to it that corresponds to the crops grown on rented land.

When it is not possible to delimit said yield, it will be prorated based on the percentage that the leased land dedicated to each crop represents with respect to the total surface area, owned and leased, dedicated to that crop.

Index 4. Feed purchased from third parties in more than 50%

Regulations: Instruction 2.3.d) of Annex I Order HAC/1347/2024, of November 28 (BOE November 30th)

When livestock farming activities involve feeding animals with feed and other feed products acquired from third parties, representing more than 50 percent of the total amount consumed, the income from these activities will be subject to the following in 2025: **the index of 0.50**.

For these purposes, the value of feed and other own products will be assessed according to their market value.

Index 5. Organic farming activities

Regulations: Instruction 2.3.e) of Annex I Order HAC/1347/2024, of November 28 (BOE November 30th)

The 0.95 index will be applied when the production complies with the requirements established in Regulation (EC) 834/2007 of the Council of 28 June 2007 on the production and labelling of organic products and repealing Regulation (EEC) No 2092/1991, in its specific development regulations and in the current legal regulations of the corresponding Autonomous Communities on organic production and is duly accredited by its organic operator certificate.

Index 6. Crops on irrigated land that use electric energy for this purpose

Regulations: Instruction 2.3.f) of Annex I Order HAC/1347/2024, of November 28 (BOE November 30th)

An index of 0.75 will be applied when crops are grown, in whole or in part, on land irrigated by electric power, provided that the taxpayer, or the irrigation community in which he participates, is registered in the territorial registry corresponding to the Special Tax management office referred to in article 102.2 of Law 38/1992, of December 28, on Special Taxes.

This index of 0.75 will be applied to the **yield from crops grown on irrigated land with electrical energy**.

When it is not possible to delimit said yield, this index will be applied to the result of multiplying the yield from all crops by the percentage of the surface area of crops on irrigated land that use electrical energy for this purpose over the total surface area of the agricultural holding.

This index may be applied to any of the following activities that use electricity to irrigate crops, provided that the yield comes from agricultural products:

- Agricultural activity eligible for inclusion in the special regime for agriculture, livestock and fishing of the Value Added Tax.
- The transferor's share of the benefits accruing to the transferor from agricultural activities carried out under sharecropping.
- Processes of transformation, preparation or manufacturing of natural, plant or animal products, which require registration in a section corresponding to industrial activities of the Rates of the Tax on Economic Activities and are carried out by the owners of the farms from which said natural products are directly obtained.

Index 7. Because it is a company whose reduced net return does not exceed 9,447.91 euros

Regulations: Instruction 2.3.g) of Annex I Order HAC/1347/2024, of November 28 (BOE November 30th)

The **correction index 0.90** will be applied when the sum of the reduced net income from all agricultural and livestock activities carried out by the taxpayer does not exceed the amount of 9,447.91 euros per year.

To determine the correction rate for companies whose reduced net income does not exceed 9,447.91 euros, reduced net income derived from forestry activities, whether with or without transformation, must be excluded.

Incompatibility: This index is not applicable in the case of young farmers or agricultural employees who are entitled to the special 25 percent reduction referred to in the Sixth Additional Provision of the Law of IRPFABBR.

Index 8. Corrective index in certain forestry activities

Regulations: Instruction 2.3.h) of Annex I Order HAC/1347/2024, of November 28 (BOE November 30th)

The **correction index 0.80** will be applied to the income from the exploitation of forest farms managed in accordance with technical forest management plans, forest management, forestry plans or reforestation plans approved by the competent forestry authority, provided that the average production period, depending on the species in question, determined in each case by the competent forestry authority, is equal to or greater than 20 years.

Note: This correction index may only be applied to income from forestry activities.

Index 9. Corrective index in mussel production activity in rafts

Regulations: Instruction 2.3.i) of Annex I EITHER Order HAC/1347/2024, of November 28 (BOE November 30th)

New in 2025: Please note that from 1 January 2025, the activity of “mussel production in rafts” moves from Annex II to Annex I (agricultural, livestock and forestry activities) resulting in only the indices indicated below being applicable.

The **index 0.90 will be applied** when the activity is carried out with 3 or 4 trays.

The **index 0.85 will be applied** when the activity is carried out with 5 trays.

This corrective index will only be applicable to mussel farming activities in rafts.

Phase 4: Determination of the net performance of the activity

In accordance with the regulations governing the objective estimation method, contained in Annex I and in the First Additional Provision of the Order HAC/1347/2024, of November 28 (BOE (as of November 30), to determine the net income from the activity, the following reductions may be applied:

1. General reduction: 5 per 100

Regulations: Additional Provision First Order HAC/1347/2024, of November 28 (BOE November 30th).

As in 2024, for 2025 the net yield of modules from agricultural, livestock and forestry activities, as well as from transformation processes, determined in accordance with what was discussed in phase 3 above, **It may be reduced by 5 percent..**

2. Reduction of young farmers: 25 percent

Regulations: Sixth Additional Provision of the Law IRPFABBR and instruction 3 of Annex I Order HAC/1347/2024, of November 28 (BOE November 30th)

Young farmers (over 18 and under 40) or agricultural wage earners may reduce the net module yield resulting from applying the general reduction by 25% in each of the tax periods closed during the five years following their first installation as owners of a farm with priority status, carried out under the provisions of Chapter IV of Title I of Law 19/1995, of July 4, on the Modernization of Agricultural Holdings, provided that they prove the implementation of a plan to improve the farm.

For these purposes, the priority farm status must be accredited by a certificate issued by the corresponding body of the Autonomous Community, or by inclusion in the General Catalogue of Priority Farms of the Ministry of Agriculture, Fisheries and Food.

See Royal Decree 613/2001, of June 8, on the improvement and modernization of the production structures of agricultural holdings (BOE of June 9).

3. Extraordinary expenses due to exceptional circumstances

Regulations: See Common Standard 2 of Annex III Order HAC/1347/2024, of November 28 (BOE November 30th)

When the development of the activity has been affected by fires, floods, subsidence or other exceptional circumstances that have determined extraordinary expenses outside the normal process of carrying out the activity, the interested parties may reduce the resulting net income by the amount of said expenses. To do so, taxpayers must have informed the Administration or, failing that, the Tax Agency Delegation, of this circumstance within 30 days from the date on which it occurs, providing the corresponding justification for this purpose and mentioning,

where appropriate, the compensation to be received due to such alterations, so that the Tax Administration can verify the certainty of the cause that motivates the reduction in income and the amount thereof.

Precision: reimbursement or return of current subsidies

Given that his indictment must be carried out in the The tax period that includes the date of the final grant award resolution, that is, when the grant is definitively recognized and quantified, regardless of when it is received, increasing the previous net income by the amount of the grant received multiplied by the corresponding net income index, the return (reimbursement) of the same, if applicable, will have an impact on the net income of the modules for the period in which it is made, and this net income must be reduced by the amount of the declared grant multiplied by the corresponding net income index, entering its amount in the box [0239], relating to "Reimbursement of subsidies (the amount of the subsidy declared by the application of the indices will be included)".

Phase 5: Determination of the reduced net return on the activity

Regulations: Articles 32.1 Law IRPFABBR and 25 RegulationIRPFABBR

In the event that, in the course of agricultural activity, income has been obtained whose generation period has been greater than two years or other income classified by regulations as having been obtained in a notoriously irregular manner over time, when they are imputed in a single tax period, a reduction of the net income of 30% of said amounts may be applied. The result thus obtained is the reduced net return of the activity.

For the purposes of applying the aforementioned 30% reduction, the following are considered to be income obtained in a notoriously irregular manner over time, exclusively when they are attributed to a single tax period:

- Capital grants for the acquisition of non-depreciable fixed assets.
- Compensation and aid for cessation of economic activities.
- Compensation received in lieu of economic rights of indefinite duration.

The amount of net income referred to in this section to which the aforementioned reduction will be applied **may not exceed the amount of 300,000 euros per year** .

In the event that several irregular returns of the same nature are obtained, and their amount exceeds the limit of 300,000 euros of maximum amount on which to apply the 30% reduction, the maximum reduction will be distributed proportionally between all the returns of that nature.

Remember: Capital gains or losses arising from the sale or transfer of items related to economic activity are not included in the income derived from it, but are taxed with the rest of the capital gains and losses.

Determination of Total Reduced Net Return

To determine the total net income, the following reduction may be applied to the reduced net income of the activity calculated as explained in the previous section, the conditions, amount and limit of this reduction being set out in Chapter 7:

Reduction for the exercise of certain economic activities for taxpayers with non-exempt income of less than 12,000 euros.

Regulations: (Art. 32.2.3 Law IRPFABBR)

Practical case

Mr. LHI He owns a rural property where he engages in agricultural activities and the raising of sheep for meat, whose animals are fed primarily on the pastures produced on the property itself, all of which activities are included in the special regime for agriculture, livestock and fishing (IVAABBR) of the Value Added Tax (IVAABBR). The holder does not obtain income from work or carry out any other economic activity.

- The products he grows, all of which are intended for sale, consist of corn and various horticultural products (lettuces, beans and chard).
- In the 2025 financial year, the cost of salaried personnel corresponding to a person working full-time in the activity since 2008 has amounted to 18,000 euros. The remuneration paid to this employee in the year 2025, included in the cost of salaried personnel, amounts to 14,000 euros.
- Mr. LHI It chooses to allocate the income from its activity according to the cash basis, according to which the income corresponding to 2025 that appears in the income register book has been the following:

Subject	Cost	Compensation IVAABBR	Total
Income from the sale of corn	49,000	5.880	54,880
Income from the sale of lambs	27,000	2.835	29.835
Income from sales of horticultural products	17,000	2,040	19.040
Income from work carried out for other farmers covered by the special regime for agriculture, livestock and fishing of IVAABBR ⁽¹⁾	4.760	-- ⁽²⁾	4.760
Total computable income (euros)			108.515

Notes to the table:

(1) In the previous year (2024), income from work done for other farmers represented only 6 percent of the total income for that year. Therefore, in 2025 these jobs are considered to be included in the special regime for agriculture, livestock and fishing for the purposes of IVAABBR and do not constitute independent activity

for the purposes of the objective estimation method of IRPFABBR, and must be counted as a separate product or service within the single agricultural and livestock activity carried out by its owner. [\(Back\)](#)

(2) Since the recipients of these works are other farmers also covered by the special regime for agriculture, livestock and fishing of IVAABBR, no reimbursement of compensation is required in relation to these transactions. [\(Back\)](#)

- In addition to the above income, Mr. LHI It has recorded in the aforementioned register book another income amounting to 6,250 euros, corresponding to the amount received in 2025 as direct aid decoupled from the Common Agricultural Policy (CAP).
- For its part, its investment goods register contains the following entries as of December 31, 2024, relating to the fixed assets used in the business activity for which the owner has full documentary evidence:

Element	Commencement of operation	Cost price	Accumulated amortization as of 31-12-2024
Warehouse and stable	10-02-2013	36,000 (1)	22,000
Trailer	10-02-2013	3.155	3.155
Fertilizer machine	10-02-2018	7,500	7.200
Irrigation installation	10-02-2020	2,500	1.015
Tractor, accessories and implements	10-02-2020	28,800	9.800

(1) The recorded acquisition value (depreciable value) does not include the value of the land. [\(Back\)](#)

- Finally, during the 2025 financial year, it acquired various new farming tools for 1,260 euros, with the unit value of none of them exceeding the amount of 601.01 euros.

Solution:

Previous issue: performed activities.

Activities carried out by Mr. LHI They are all included in the special scheme for agriculture, livestock and fishing of the Value Added Tax, therefore, for the purposes of applying the objective estimation method of IRPFABBR, it is a single activity, whose identifying code is 1 (agricultural or livestock farming susceptible to being included in the special regime of agriculture, livestock and fishing of the IVAABBR).

Phase 1: Determination of prior net performance.

As a preliminary operation, it is necessary to determine the eligible income corresponding to each of the products obtained and services provided in the exercise of the activity, taking into account that, in this specific case, the amount of direct aid decoupled from the

Common Agricultural Policy (CAP) must be added to the income from the different crops and farms, in proportion to their respective amounts, without including for this purpose the income from other accessory work and services.

Therefore, the following income will be eligible:

Total income from crops and farms: 54,880 (Corn) + 29,835 (Lambs) + 19,040 (p. horticultural) = 103,755 euros.

Computable income from the sale of corn

Recorded income: 54,880

Proportional share of direct aid decoupled from the CAP $(54,880 \div 103,755 \times 6,250) = 3,305.86$

Computable income $(54,880 + 3,305.86) = 58,185.86$

Computable income from the sale of beef sheep

Recorded income: 29.835

Proportional share of direct aid decoupled from the CAP $(29,835 \div 103,755 \times 6,250) = 1,797.20$

Computable income $(29,835 + 1,797.20) = 31,632.20$

Computable income from the sale of horticultural products

Recorded income: 19.040

Proportional share of direct aid decoupled from the CAP $(19,040 \div 103,755 \times 6,250) = 1,146.93$

Computable income $(19,040 + 1,146.93) = 20,186.93$

Computable income from other work and accessory services

Recorded and computable income: 4.760

By applying the corresponding net performance indexes to the income from each of the products and services, the prior net performance is determined as follows:

Product code	Type of product/service	Computable income	Performance Index	Product base performance
3	Beef sheep	31,632.20	0.09	2,846.90
Previous net performance (sum)				25,889.42

Product code	Type of product/service	Computable income	Performance Index	Product base performance
6	Corn	58,185.86	0.26	15,128.32
	Horticultural products	20,186.93	0.26	5,248.60
15	Other accessory works and services	4,760.00	0.56	2,665.60
Previous net performance (sum)				25,889.42

Phase 2: Determination of reduced net income.

Amount of depreciation of fixed assets assigned to the activity .

Using the amortization table contained in the Order HAC/1347/2024, of November 28 (BOE of November 30), and in accordance with the rules for its application established therein, the amount of amortization that can be deducted from the previous net income is determined as follows:

Heritage element	Acquisition value	Maximum coefficient	Amortizable period	Amortization
Warehouse and stable	36,000	5%	All year	1,800
Trailer	3.155	Irrelevant ⁽¹⁾		0
Fertilizer machine	7,500	25%	All year	300 ⁽²⁾
Irrigation installation	2,500	25%	All year	625
Tractor and accessories	28,800	25%	All year	7.200
Farming tools	1.260	100% ⁽³⁾	Irrelevant	1.260
Total amortizations				11.185

Notes to the table:

⁽¹⁾ On December 31, 2025, the trailer was already fully amortized, so no amount should be included for this concept in 2025. [\(Back\)](#)

(2) Since the amount resulting from the application of the maximum linear coefficient is greater than the amount pending amortization as of 31-12-2024, which amounts to 300 euros (7,500 – 7,200), the amortization of the fertilizer machine has been carried out for this latter amount. [\(Back\)](#)

(3) They can be freely amortized because their unit value is less than 601.01 euros and because, in addition, the total amount of the new assets acquired in 2025 does not exceed the amount of 3,005.06 euros. [\(Back\)](#)

Reduced net income (summary):

Previous net performance: 25,889.42

less: Amortization of tangible and intangible fixed assets: 11.185

equal to: Reduced net return: 14,704.42

Phase 3: Correction indices and determination of net module performance.

Only the correction index for the use of salaried personnel is applicable in this case, the cost of which represents 16% of the total volume of income ($18,000 \div 114,765 \times 100 = 15.68\%$).

Since the percentage in question is between 10 and 20 percent, the correction index 0.90 should be applied. Therefore:

Net module yield: $(14,704.42 \times 0.90) = 13,233.98$ euros

Phase 4: Determination of the net return of the activity.

- General reduction: 5% of 13,233.98 euros = 661.70 euros
- Since there are no extraordinary expenses due to exceptional circumstances or right to reduction for young farmers, the net income from the activity is as follows: $13,233.98 - 661.70 = \mathbf{12,572.28}$ euros

Phase 5: Determination of the reduced net return of the activity.

Reduction for irregularity

Since no type of income is computed with a generation period of more than two years, nor any obtained in a noticeably irregular manner over time, no reduction is applicable for this concept. Therefore:

Reduced net income from the activity = Net income from the activity (12,572.28 euros)

Determination of the total reduced net income of the activity

Reduction for the exercise of certain economic activities:

This reduction applies only when the net income from the activity is less than or equal to 12,000 euros.

Since the income from economic activities exceeds 12,000 euros (12,572.28 euros), the reduction of article 32.2.3 of the Law does not apply. IRPFABBR.

Therefore:

Net income from the activity = 12,572.28

equal to: Total reduced net return from activity = **12,572.28**

Appendix: List of natural products, services and ancillary activities carried out by farmers, livestock breeders and forestry operators and applicable performance indices in the year 2025

Farms

Group name	Products	Contents
Cereal grains except rice	Wheat, rye, barley, oats, corn, sorghum, millet, millet, canary seed, spelt, triticale and buckwheat, etc.	0.26
Grain legumes	Carob, fenugreek, chickpeas, lupins, chickpeas, peas, broad beans, kidney beans, lentils, vetch, vetch, etc.	0.26
Mushrooms for human consumption	Mushrooms for human consumption	0.26
Citrus	Orange (sweet or bitter), mandarin, lemon, grapefruit, lime, bergamot, etc.	0.26
Grape	Grapes for table wine without designation of origin	0.26
	Grapes for table wine with designation of origin	0.32
	Table grapes	0.32
Nuts	Walnut, hazelnut, almond, chestnut and other nut trees (pistachios, pine nuts), etc.	0.26
Oilseeds	Peanut, sunflower, soybean, rapeseed and rapeseed, safflower and castor bean, etc.	0.32
Rice	Rice	0.32
Olive products	Olive (olive mill or table olive)	0.26
Forages	Forage plants for weeding (forage turnip, forage beet, forage cabbage, forage pumpkin, forage carrot, etc.) and other forage plants (alfalfa, winter forage cereal, forage corn, vetch, sainfoin, clover, vallico, forage bean, zulla and others), etc.	0.37

Group name	Products	Contents
Roots, tubers (except potato)	Roots, tubers (except potato)	
Non-citrus fruits	Table apple, cider apple, pear, quince, loquat, other pome fruits (acerola, rowanberry and others), cherry, sour cherry, plum, apricot, peach and other stone fruits, fig, pomegranate, currant, raspberry, other small fruits and berries (blackcurrant, mulberry, mulberry, etc.), banana, avocado, custard apple, kiwi and other tropical and subtropical fruits (persimmon, prickly pear, date, guava, papaya, mango, lychees, except tropical pineapple).	0.37
Horticultural products	Cabbage, Brussels sprouts, cauliflower, other cabbages, chard, celery, leek, lettuce, escarole, spinach, asparagus, endive, cardoon, other leafy vegetables, tomato, artichoke, cucumber, gherkin, eggplant, pepper, pumpkin, zucchini, other vegetables grown for their fruit or flowers, table beet, carrot, garlic, onion, spring onion, turnip, radish, other vegetables grown for their root, bulb or tuber, green pea, green bean, green broad bean, other vegetables with pods, watermelon, cantaloupe, strawberry, pineapple and other fruits of non-perennial plants.	0.26
	Sugar beet	0.13
Potato	Potato	0.26
Other agricultural products	Hops, sugar cane, saffron, chicory, paprika, nurseries, etc.	0.37
	Flowers and ornamental plants	0.32
Textile plants	Cotton	0.37
	Flax, Hemp	0.42
Tobacco	Tobacco	0.26
Ancillary activities carried out by farmers	Agrotourism, crafts, hunting, fishing and recreational and leisure activities in which the farmer or rancher participates as a monitor, guide or expert, such as hiking, trekking, ecological routes, etc.	0.42
Other work and ancillary services provided by farmers		0.56

Livestock farms

Group name	Products	Indexes
Poultry farming	Meat and eggs from chickens, hens, ducks, pheasants, partridges, quails, etc.	0.13
Bovine	Meat (intensive)	0.13
	Meat (extensive)	0.13
	Milk (intensive)	0.20
	Milk (extensive)	0.20
	Breeding (intensive)	0.26
	Breeding (extensive)	0.26
Goat	Meat (intensive)	(*) 0.09
	Meat (extensive)	(*) 0.09
	Milk (intensive)	(*) 0.18
	Milk (extensive)	(*) 0.18
Rabbit farming	Rabbit farming	0.13
Ovine	Meat (intensive)	(*) 0.09
	Meat (extensive)	(*) 0.09

Group name	Products	Indexes
	Milk (intensive)	(*) 0.18
	Milk (extensive)	(*) 0.18
Porcine	Meat (intensive)	0.13
	Meat (extensive)	0.13
	Breeding (intensive)	0.26
	Breeding (extensive)	0.26
Ancillary activities carried out by livestock farmers	Agro-cutting, crafts, hunting, fishing and recreational and leisure activities in which the farmer or rancher participates as a monitor, guide or expert, such as hiking, trekking, ecological routes, etc.	0.42
Breeding, keeping or fattening services of any type of livestock (including poultry)		0.37
Other work and accessory services provided by livestock farmers		0.56
Punting mussel production		0.56
Other livestock activities not expressly included in other sections	Beekeeping	0.26
	Horses, fur animals (mink, chinchilla, etc.), etc.	0.32

Forestry operations

Group name	Products	Contents
Tree species with an average felling period of more than 30 years	Chestnut, birch, ash, maple, cherry, alder, walnut, Scots pine (P. Sylvestris), black pine, fir, Oregon pine, cedar, Aleppo pine, Canary Island pine, stone pine, Pinus pinaster, cypress, beech, oak (Q. robur, Q. Petraea), oak, holm oak, cork oak and other oak species	0.13
Tree species with an average felling period equal to or less than 30 years	Eucalyptus, poplar, insignis pine and maritime pine	0.26
Forestry resin extraction activity		0.32
Ancillary activities carried out by forestry farm owners		0.42
Other work and accessory services provided by forestry farm owners		0.56

Chapter 10. Special procedures: imputation and attribution of income

Introduction: income imputations

Regulations: Art. 6.2 e) Law IRPFABBR

Along with the income (from work, capital and economic activities) and capital gains and losses, the third component of the taxpayer's income is made up of the income imputations established by law .

Income imputation constitutes a special tax regime whose ultimate purpose is to achieve full identification between the tax base and the taxpayer's economic capacity, thereby ensuring maximum effectiveness in the application of the progressivity of the IRPFABBR.

The materialization of income imputations as a tax category is carried out by incorporating, on the one hand, income that the Law of IRPFABBR It presumes that they derive from the ownership of certain urban real estate and, on the other hand, makes the taxpayer partner or participant tax the income obtained through interposed entities.

The Law of IRPFABBR Under the name of special regimes, it incorporates the following categories of imputation and attribution of income:

Real estate income imputation regime

The Tax Agency's electronic headquarters includes a " [Virtual Income Assistant](#) ", where you can consult how to declare an empty property at the disposal of the owner (second homes).

Regulations: Art. 85 Law IRPFABBR

Concept and requirements of the imputation of real estate income

Subject

The following are considered imputed real estate income **income that the taxpayer must include in his tax base for being** owner or holder of a real right of enjoyment over real estate that meets the requirements listed below.

It also generates imputed real estate income from the ownership of a **real right of time-share use over urban real estate**, in the terms that are also discussed below.

In both cases, the properties must be **that do not generate capital gains or are not affected by economic activities**.

***Note:** The granting of the right to use parking spaces for residents does not generate the imputation of real estate income, since said concession does not constitute a real right.*

Requirements for the imputation of real estate income

The imputation of real estate income is conditional on the properties from which said presumed income is derived meeting the following requirements:

- **That it concerns urban real estate** qualified as such in article 7 of the consolidated text of the Real Estate Cadastre Law, approved by Royal Legislative Decree 1/2004, of March 5 (BOE of March 8), not affected by economic activities.
- **That it is rustic properties** with buildings that are not essential for the development of agricultural, livestock or forestry operations, not affected by economic activities.

The concept of assets affected [economic activities is discussed in Chapter](#).

- **That do not generate capital returns**. Capital gains may be derived from the leasing of real estate, businesses or mines or from the creation or transfer of rights or powers of use or enjoyment over real estate.

The returns on capital are discussed in the [Chapter 4](#) (Returns on real estate capital) and [Chapter 5](#) (Returns on movable capital) of this Manual.

Please note that real estate that is not leased or subleased, but is intended to be so (properties in expectation of rental), generates imputation of real estate income. Supreme Court judgment of February 25, 2021, issued in appeal No. 1302/2020 (ROJ : STS 910/2021).

Unlike the above, when the property is exclusively used for the development of the economic activity of leasing, there will be no obligation to impute real estate income, even if for part of the tax period the property is not leased, but is expected to be rented.

- **That they do not constitute the habitual residence of the taxpayer**. For these purposes, parking spaces acquired together with the property, up to a maximum of two, are considered to be part of the taxpayer's habitual residence.

Nor is the imputation of real estate income provided for in Article 85 of the Law applicable. IRPFABBR for the family home (owned by both spouses 50 percent), when in case of separation, annulment and divorce, its use, in accordance with article 96 of the Civil Code, is attributed by the judicial authority to the ex-spouse and, where appropriate, to the children in whose company they remain, even if this does not constitute the

habitual residence of the other parent.

Particular case: adjoining homes

- In the case of two **contiguous and internally joined dwellings**, which are permanently inhabited throughout the year by their owners, they would be considered as a single habitual residence, and therefore in such circumstances would be excluded from the real estate income imputation regime.
- Now, **if the two floors are not internally connected** the real estate income will be imputed with respect to the one that is not considered the habitual residence. In this regard, please note that in cases where duplicate addresses may create doubts as to which constitutes the habitual residence, the requirements of continuity and permanence would grant habitual status only to the address where the taxpayer resided for the longest period of time throughout each tax period, since the same taxpayer cannot have more than one habitual residence.

- **That it is not undeveloped land, properties under construction or properties that, for urban planning reasons, are not susceptible to use.**

In the case of an empty property illegally occupied by third parties against the will of the owner, and once an eviction procedure has been initiated by the owner of the property and provided that it is duly accredited, it is considered that the imputation of real estate rent is not applicable from the moment that said procedure was initiated, without needing to wait for its resolution.

Remember: *The income imputation regime does not take into account the actual use of the second home but rather its availability to its owner, thus limiting the Law of IRPFABBR the cases in which **not applicable** the imputation of real estate income only to the following: that the property is used for an economic activity, that the property generates capital income, that it is under construction and that it is not susceptible to use for urban planning reasons.*

Determination of the amount of attributable income

In general

The determination of the attributable income corresponding to each of the urban properties generating said income in the terms discussed in the previous section is carried out by applying the following percentages:

2%, in general. This percentage must be applied **on the cadastral value of the property** that appears on the receipt for the Property Tax (Urban) corresponding to the year 2025.

1.1 percent in the following cases :

- As in 2023 and 2024, during 2025, properties located in municipalities where cadastral values have been reviewed, modified or determined through a general collective valuation procedure, in accordance with cadastral regulations, provided that they have come into force from 1 January 2012.
- Properties that, on the date the tax is due (normally, December 31), have no cadastral value or this has not been notified to the owner.

The percentage of 1.1% will be applied to 50% of the highest of the following values:

- The price, consideration or acquisition value of the property.
- The value of the property verified by the Administration for the purposes of other taxes.

Note: No deduction of any type of expense will be made on the amount resulting from the application of the percentage that applies in each case.

Properties acquired, transferred or designated for different uses in 2025

In the case of properties acquired or transferred in the year 2025 or that have been leased, subleased or used for an economic activity for part of the year, as well as in other cases where the property has been available to its owners or usufructuaries only for part of the year, the income attributable to this concept will be that which corresponds proportionally to the number of days included in said period.

Special case: real rights of use by turn over real estate

The right of timeshare use, which may be constituted as a limited real right or as a seasonal lease contract, will give rise to the imputation of real estate income **only** in the cases of real estate timeshare rights over real estate.

In these cases, the imputation must be made by the owner of the real right by applying the percentage of 2% or 1.1%, as appropriate, to the result of prorating the cadastral value of the Real Estate Tax (IBI) based on the annual duration (days, weeks or months) of the period of use.

If on the date of accrual of personal income tax the properties do not have a cadastral value or this has not been notified to the owner, the acquisition price of the right of use will be taken as the basis for imputation.

The imputation of real estate income to the holders of these rights will not apply when their duration does not exceed 2 weeks per year.

Individualization of real estate income

Imputed real estate income corresponds to the persons who are the owners of the real estate, or the real rights of enjoyment over them, from which they come.

Therefore, in the first case, it will be the owners of the real estate who must include the corresponding income in their declaration; Whereas in the event that there are real rights of enjoyment over the property, the income will be imputed to the holder of the right in the same amount that would correspond to the owner, without the latter having to include any amount in his declaration as imputation of real estate income.

When the ownership of the assets or rights is not duly accredited, the tax authorities shall have the right to consider as the owner the person who appears as such in a tax register or in any other public register.

In cases where ownership belongs to several people, the income corresponding to the real estate or real right of enjoyment in question will be considered to be obtained by each of them in proportion to their participation in said ownership.

Consequently, each of the co-owners must declare as imputable income the amount resulting from applying to the total income imputed to the property or right, the percentage that represents their participation in the ownership of the same.

Note: *In the case of marriage, the income attributable to the assets and rights that, in accordance with the provisions regulating the economic regime of marriage, are common to both spouses, will correspond equally to each of them (unless another different share of participation is justified). On the contrary, the income attributable to assets or rights that, in accordance with the same rules, are the exclusive property of either of the spouses, will correspond entirely to its owner.*

Declaration of imputed real estate income

In section [C" \(Real estate\) of declaration](#) all data relating to real estate available to its owners or usufructuaries at any time during the fiscal year must be listed, whether they hold direct ownership of the same (ownership or usufruct) or as a result of their participation in an entity under an income attribution regime, with the exception of undeveloped land and land that cannot be used for urban planning reasons.

Specifically, the following data must be entered for each of them:

- a. Part of the property that is at the taxpayer's disposal, box **[0087]** : If the entire property has remained at the taxpayer's disposal during the year, 100% will be recorded.

When, due to simultaneous use or destination of the property, only a part of it, such as, for example, a single floor of the building, has remained at the disposal of the taxpayer, the percentage, expressed with two decimal places, that represents the surface area of said part in relation to the total surface area of the property will be indicated.

- b. Computable period (number of days), box **[0085]** : 365 will be recorded when the property has remained at the taxpayer's disposal throughout the year. Otherwise, the number of days that the property has been at the taxpayer's disposal will be expressed.

In the exceptional case that the property is, on the same days, partly at the taxpayer's disposal and partly used for other purposes, an X will be marked in box **[0086]** , indicating the number of days that it has been at the taxpayer's disposal in box **[0088]** .

- c. Amount of [imputed real estate income](#) , box **[0089]** .

Example: Real estate income allocation

Mr. JVC, during the year 2025, has been the owner of the following real estate:

- Primary residence, whose unaudited cadastral value amounts to 34,800 euros.

- Parking space acquired together with the property and whose unaudited cadastral value amounts to 3,900 euros.
- Apartment on the beach that is only used during the month of vacation. The cadastral value of the property, which was revised with effect from 2015, amounts to 40,800 euros.
- Apartment purchased for 105,000 euros on July 1, 2025 and which, as of September 1 of that year, has been rented for a monthly rent of 600 euros. As of December 31, 2025, the cadastral value of the property has not been notified to him. The value declared by the taxpayer for the purposes of the Tax on Property Transfers and Documented Legal Acts is the acquisition value, without the tax authorities having proceeded to modify it.

Determine the allocation of real estate income corresponding to said properties:

Solution

- Primary residence and parking space: no imputation of real estate income is applicable.
- Apartment at the beach. Imputed real estate income:

$$1.1 \text{ per } 100 \text{ s/} 40,800 = 448.80 \text{ (1)}$$

- Apartment acquired in 2025. Imputed real estate income:

$$1.1 \text{ per } 100 \text{ s/ } (50\% \times 105,000) \times 62 \div 365 = 98.10 \text{ (2)}$$

Total imputed real estate income (448.80 + 98.10) = 546.90

Notes to the example:

(1) Since the cadastral value was revised in 2015, that is, after January 1, 2012, the percentage to be applied is 1.1 percent as a result of the modification of the fifty-fifth Additional Provision of the Law of IRPFABBR by section Three of article 14 of Royal Decree-Law 16/2025, of December 23 (BOE December 24). [\(Back\)](#)

(2) Since the cadastral value of the property as of December 31, 2025, has not been notified to its owner, the percentage of 1.1 percent is applied to 50 percent of the acquisition value of the property, a value that has not been modified by the Administration for the purposes of the Property Transfer Tax and Documented Legal Acts. Furthermore, the imputed income must be determined in proportion to the number of days that the property has been available to its owner (from July 1 to August 31). Finally, the income derived from leasing the property is considered to be income from real estate capital, in which section it must be declared. [\(Back\)](#)

Income allocation regime

Regulations: Articles 8.3 and 86 Law IRPFABBR

According to the regulations of this special regime, the income obtained by certain entities that are not considered taxpayers of the Corporate Tax must be taxed in the personal taxation of their members: Personal Income Tax, Corporate Tax or Non-Resident Income Tax, depending on whether the respective partners, commoners or participants are taxpayers of each of said taxes.

The highlights of this regime are as follows:

Entities in the income allocation system

Positive delimitation

Regulations: Articles 8.3 and 87 Law IRPFABBR. See also arts. 35.4 LGT , 6 LIS and 37 consolidated text of Law IRNR

The following are considered entities subject to the special income allocation regime, among others:

- Civil companies that do not have legal personality.
- Civil companies with legal personality that do not have a commercial purpose (as of January 1, 2016).

Until January 1, 2016, the income attribution regime of IRPFABBR to all civil societies. However, as of that date, civil companies with legal personality that have a commercial purpose will no longer be taxed under the indicated regime and will become subject to Corporate Tax.

As a consequence of the above, they continue to be taxed under the income attribution regime of entities of IRPFABBR insofar as their activities are outside the commercial sphere, the following civil societies:

- Those engaged in agricultural, livestock, forestry and mining activities.
- Those of a professional nature (second section of the Tax on Economic Activities).

Note: *The only taxpayers that are subject to corporate tax are civil companies with legal personality and commercial purpose. The reform does not affect joint ownership communities or other entities without legal personality under Article 35.4 of the LGT, which continue to be taxed as entities under the income attribution regime in accordance with the special regime regulated in Section 2 of Title X of the Law of IRPFABBR.*

In relation to the LGT see Law 58/2003, of December 17, General Tax.

- Unsettled estates.
- The communities of property.
- Any entity lacking legal personality that constitutes an economic unit or separate assets susceptible to taxation.
- Entities established abroad whose legal nature is identical or analogous to that of entities for the attribution of income established in accordance with Spanish laws.

The basic characteristics that an entity established abroad must meet to be considered in Spain as an entity under the income attribution regime for the purposes of IRPFABBR, of the ES and the Non-Resident Income Tax, are as follows:

- a. That the entity is not a taxpayer of a personal income tax in the State of incorporation.

- b. That the income generated by the entity is fiscally attributed to its partners or participants, in accordance with the legislation of its State of incorporation, with the partners or participants being the ones who pay taxes on the same in their personal taxes. This attribution must occur by the mere fact of obtaining the income by the entity, without it being relevant for these purposes whether or not the income has been effectively distributed to the partners or participants.
- c. That the income obtained by the entity in the attribution of income and attributed to the partners or participants retains, in accordance with the legislation of its State of incorporation, the nature of the activity or source from which it comes for each partner or participant.

Note: See in this regard the Resolution of February 6, 2020, of the General Directorate of Taxes, on the consideration as entities under the income attribution regime of certain entities established abroad (BOE of February 13).

Note: *Non-resident entities that lack a NIF will enter in box [1562] the Identification Number assigned to said entities in the Country of residence and will mark box [1563] to indicate this circumstance.*

Negative delimitation

Regulations: Art. 7 LIS

following entities, among others, are not included in the special income attribution regime:

- Investment funds, regulated by Law 35/2003, of November 4, on Collective Investment Institutions.
- Temporary business associations, regulated by Law 18/1982, of May 26, on the tax regime of temporary business groups and associations and regional industrial development companies.
- Pension funds, regulated in the consolidated text of the Law on the Regulation of Pension Plans and Funds, approved by Royal Legislative Decree 1/2002, of November 29.
- Communities that own communal forests regulated by Law 55/1980, of November 11, on communal forests, or in the corresponding regional legislation.
- Agricultural transformation companies, regulated by Royal Decree 1776/1981, of August 3, which approves the Statute that regulates Agricultural Transformation Companies.
- As of January 1, 2016, civil companies with legal personality and commercial purpose are subject to Corporate Tax.

The commercial purpose is understood to be the performance of an economic activity of production, exchange or provision of services for the market in a sector not excluded from the commercial scope.

For these purposes, the activity of renting real estate may be of a commercial nature, regardless of whether or not it meets the definition of economic activity provided for in Article 27.2 of the Law of IRPFABBR and 5.1 the LIS. Therefore, civil companies with legal personality whose activity is the leasing of real estate are taxpayers of the Corporate Income Tax.

- **As of January 1, 2022** , entities under the income attribution regime defined below will be subject to corporate tax as taxpayers based on the positive income indicated.

a. It must be **entities in attribution of income in which** :

- one or more entities, linked to each other within the meaning of section 13 of article 15.bis of the LIS , participate directly or indirectly on any day of the year, in the capital, in the equity, in the results or in the voting rights in a percentage equal to or greater than 50% and
- are residents of countries or territories that qualify the entity under the attribution regime as a taxpayer for a personal income tax,

b. These entities under the income attribution regime will pay corporate tax, as taxpayer, **for the following positive income** that must be attributed to all participants resident in countries or territories that consider the income attribution entity as a taxpayer for personal income tax:

- Income obtained in Spanish territory that is subject to and exempt from taxation in the Non-Resident Income Tax.
- Foreign source income that is not subject to or exempt from taxation by a tax imposed by the country or territory of the entity or entities paying such income.

The remaining income of entities under the income attribution regime will be attributed to the partners, heirs, joint owners or participants and will be taxed in accordance with the provisions established for this regime in the Law of IRPFABBR, which is discussed in this same Chapter 10 in the following sections.

Calculation of attributable income and payments on account

Regulations: Art. 89 Law IRPFABBR

a) General rule

The determination of attributable income is carried out at the headquarters of the entity that obtains it, in accordance with the regulations of IRPFABBR applicable to each type of income according to its origin or source, without taking into account any reductions or decreases that may correspond to said income. However, the corresponding reductions or decreases may be applied by the members of the entity under the income attribution regime who are taxpayers of IRPFABBR.

In short, the determination of the attributable income, based on its origin or source, will be carried out at the headquarters of the entity that obtains it, in accordance with the criteria explained below:

1. Return on real estate property

The net income attributable will be determined by the difference between the gross income and the expenses necessary to obtain it, including the depreciation of the property and the other assets transferred with it, without applying the [reduction of 90, 70, 60 or 50 percent](#) that may apply to the positive net income derived from the leasing of properties intended for

housing as referred to in Article 23.2 of the Law of IRPFABBR.

Individual members of the entity under the income attribution regime who are personal income tax payers will be able to apply these reductions in their tax returns.

2. Income from movable capital

The net attributable income will be determined by the difference between the gross income and the deductible expenses referred to in Article 26.1 of the Law of IRPFABBR.

In the case of capital gains that are included in the savings tax base, the expenses of administration and storage of negotiable securities are deductible. In the case of income derived from the provision of technical assistance, the leasing of movable property, businesses or mines or subleases, the expenses necessary for obtaining them and, where applicable, the amount of the deterioration suffered by the assets or rights from which the income comes shall be deducted from the total income.

Under no circumstances may the entity under the attribution regime apply the 30 percent reduction contemplated in article 26.2 of the Law of IRPFABBR for the net income provided for in article 25.4 of the aforementioned Law (income from movable capital to be included in the general tax base) that has a generation period of more than two years or is classified by regulation as obtained in a notoriously irregular manner over time when, in both cases, it is imputed in a single tax period and the amount of net income on which the reduction is applied does not exceed 300,000 euros per year.

The members of the entity under the income attribution regime who are taxpayers will be those who IRPFABBR those who will be able to apply this reduction in their tax return.

Depending on the nature of the attributed capital gains, the taxpayer must include it in his/her tax return as follows:

- a. **In the general tax base** the [returns foreseen in article 25.4 of the Law of IRPFABBR](#) under the heading "other returns on movable capital", as well as those derived from the [transfer to third parties of own capital referred to in article 25.2 of the Law of IRPFABBR](#) that come from entities linked to it.
- b. **In the taxable base of savings** the returns foreseen in sections 1, 2, and 3 of article 25 of the Law of IRPFABBR (returns obtained from participation in the equity of any type of entity; returns obtained from the transfer of own capital to third parties; income from capitalisation operations and life or disability insurance contracts and income from capital taxation). The comment of these [returns to be included in the savings tax base](#) is contained in Chapter 5.

3. Earnings from economic activities

The determination of attributable income will be carried out in accordance with the method of determining net income that is applicable to the entity, without the application of the following for the calculation of the income to be attributed to each of its members: [30 percent reduction](#) on income with a generation period exceeding two years or classified by regulation as having been obtained in a notoriously irregular manner over time, when, in both cases, it is imputed in a single tax period as provided for in Article 32.1 of the Law of IRPFABBR .

The [reductions for the exercise of economic activities of article 32.2](#) of the Personal Income Tax Law, [for the commencement of a new activity under article 32.3](#) of the Law of IRPFABBR and the new [reduction for income from artistic activities obtained in an exceptional manner](#), regulated in the sixtieth Additional Provision of the Personal Income Tax Law, are not applicable by entities under the income attribution regime to determine the net income of their economic activities. The members of the entity under the income attribution regime who are taxpayers will be those who IRPFABBR those who will be able to apply these reductions in their tax return.

The expenses of each of the owners, partners or participants that, because their payment has not been agreed to be charged to the entity under an income attribution regime, are paid by each of them will be deductible for them, provided that there is due correlation with the obtaining of the income. The deductibility of these expenses will be carried out by the commoner, partner or participant who has paid them, reducing the income attributed to him by the entity.

The requirements for applying the income attribution method to entities under the income attribution regime [direct estimation](#), both in the normal and simplified forms, and of the objective estimation method both of [agricultural, livestock and forestry activities](#) as of the [remaining activities](#) They can be found, respectively, in Chapters 7, 9 and 8 of this Manual.

4. Capital gains and losses

The determination of attributable income will be carried out in accordance with the rules of IRPFABBR.

Depending on whether the attributed capital gain or loss derives or not from the transfer of assets, the taxpayer must include it in his/her declaration as follows:

- a. **In the general tax base** capital gains and losses that do not derive from transfers of assets.
- b. **In the taxable savings base** the capital gains and losses arising from the transfer of assets, regardless of their generation period.

In cases of transfer of a jointly owned asset, the amount of the capital gain or loss will be calculated by the entity with respect to each partner, heir, joint owner or participant, taking into account their share in the ownership of the asset or the real right over it, by the difference between their acquisition and transfer values, applying, where appropriate, the ninth transitional provision of the Law of IRPFABBR only on the capital gains corresponding to those partners, heirs, joint owners or participants who had acquired them prior to December 31, 1994, which requires the communication by these of the information necessary to apply the limit of 400,000 euros established by the aforementioned ninth transitional provision (limit that is individual).

The specialities relating to the application of the [reduction coefficients](#) to capital gains arising from transfers of unaffected assets acquired before 31 December 1994 are discussed in Chapter 11.

Important: For the calculation of income from capital gains derived from the transfer of assets not used for business activities, which must be attributed to members of these entities, who are taxpayers of Corporation Tax or taxpayers for Non-Resident Income Tax with or without a permanent establishment who are not natural persons, the reduction or abatement coefficients referred to in the ninth transitional provision of the Law will not apply. IRPFABBR.

5. Real estate income allocation

The determination of attributable income will be carried out in accordance with the rules of IRPFABBR that are applicable to each concept included in this income category. These rules have been discussed previously in this same Chapter in the section corresponding to " [Real estate income imputation regime](#) ".

6. Withholdings and payment on account

The withholdings and payments on account borne by the entity under the income attribution regime and **the bases of the deductions corresponding** to the entity will be attributed to its members in the same proportion in which the income is attributed.

b) Special rules

- **The attributable income will be determined in accordance with the provisions of the regulations governing Corporate Tax**, in cases where **all** members of the entity under the income attribution regime are taxpayers of Corporate Tax and are not considered to be holding companies or non-resident income tax payers with a permanent establishment.
- **The determination of the income attributable to taxpayers of the Non-Resident Income Tax without a permanent establishment** will be carried out in accordance with the provisions of Chapter IV of the consolidated text of the Non-Resident Income Tax Law, approved by Royal Legislative Decree 5/2004, of March 5 (BOE of March 12).
- **Taxpayers of the Corporate Tax and the Non-Resident Income Tax with a permanent establishment** , who are members of an entity under the income attribution regime that acquires shares or interests in collective investment institutions, will include in their tax base the amount of income recorded or that must be recorded from the aforementioned shares or interests. Likewise, they will include in their tax base the amount of income from movable capital derived from the transfer to third parties of equity that would have accrued in favor of the entity under the income attribution regime.

Special case: negative income from foreign sources

When the entity under the income attribution regime obtains income from a foreign source from a country with which Spain has not signed an agreement to avoid double taxation with an information exchange clause, negative income that exceeds positive income obtained in

the same country and from the same source will not be computed. The excess will be computed in the following four years as positive income is obtained from the same country and source.

Qualification of attributed income and attribution criteria

Regulations: Art. 88 Law IRPFABBR

The income obtained by the entities included in this regime that must be attributed to the partners, heirs, commoners or participants will have the nature derived from the activity or source from which they come for each of them. In cases where one of the partners, commoners or participants limits themselves to making a capital contribution, the income attributed to them will have the nature of income from movable capital as a consequence of the transfer of capital.

The income will be attributed annually to the partners, heirs, commoners or participants according to the rules or agreements applicable in each case and, if these are not reliably recorded by the tax authorities, they will be attributed in equal parts.

In the case of community property, in accordance with the provisions of article 393 of the Civil Code, the distribution to the commoners of both the benefits and the burdens will be proportional to their respective shares. The portions corresponding to the participants in the community are presumed to be equal, unless proven otherwise.

However, in the case of communities of owners, the profits or returns will be attributed to each of the owners based on their coefficient of participation in the building, since, in accordance with article 3 of Law 49/1960, of July 21, on Horizontal Property, this is the module to determine the participation of each owner in the charges and benefits by reason of the community, unless another distribution is provided for in the statutes of the same.

Declaration of attributed income

The attributed income must be declared in the corresponding section of section "E" of the declaration, previously identifying the taxpayer who has the status of partner, commoner or participant of the entity, the NIF of the same or, if it does not have one, the Identification Number assigned to the entity in the country of residence and its percentage of participation.

In the case of attribution of income from real estate capital, the section "List of real estate properties leased or transferred to third parties by entities under an income attribution regime" must also be completed, which will include the identification data of the property and the joint partner or participant requested in it.

Special case: existence of imputation of real estate income

In the event that there are imputations of real estate income due to the fact that the property has been at the disposal of the entity under an income attribution regime during all or part of the year, either because the property was rented only for part of the year, or because it was transferred during the year, the imputation of real estate income must be declared in section "C" of the declaration.

Tax obligations of entities under the income attribution regime

1. Obligations with respect to the provision of information

Regulations: Articles Law 90 IRPFABBR and 70 Regulation IRPFABBR. See also Order HAP/2250/2015, of October 23, approving the annual information declaration form 184 to be submitted by entities under the income attribution regime and modifying other tax regulations (BOE of October 29)

Entities under the income attribution regime that carry out an economic activity or whose income exceeds 3,000 euros per year must submit between 1 and 31 January of each year an information declaration in which, in addition to their identification data and, where applicable, those of their representative, the following information must be included:

- a. Identification, tax address and NIF of its members** , whether or not resident in Spanish territory, including changes in the composition of the entity throughout each tax period.

In the case of members who are not resident in Spanish territory, the person who holds the tax representation thereof must be identified in accordance with the provisions of article 10 of the consolidated text of the Non-Resident Income Tax Law, approved by Royal Legislative Decree 5/2004, of March 5.

In the case of entities under the income attribution regime established abroad, the members of the entity who are taxpayers must be identified. IRPFABBR or Corporate Income Tax, as well as taxpayers for Non-Resident Income Tax with respect to income obtained by the entity subject to said tax.

- b. Total amount of income obtained by the entity and the income attributable** to each of its members, specifying, where applicable:

- Gross income and deductible expenses for each source of income.
- Amount of income from foreign sources, indicating the country of origin, indicating the total income and expenses.
- Identification, where applicable, of the collective investment institution whose shares or interests have been acquired or subscribed to, date of acquisition or subscription and acquisition value thereof, as well as identification of the person or entity, resident or non-resident, transferee of the equity.

- c. Basis of the deductions** to which the entity is entitled.

- d. Amount of withholdings and payments on account borne** by the entity and those attributable to each of its members.

- e. Net turnover amount** in accordance with the provisions of the applicable commercial regulations in this regard.

See article 35.2 of the Commercial Code; Accounting Preparation Standard 11 of the General Accounting Plan, approved by Royal Decree 1514/2007, dated November 16 (BOE of November 20), as well as the revised text of the Capital Companies Act, approved by Royal Legislative Decree 1/2010, dated July 2 (BOE of July 3).

The obligation to submit the annual information return must be fulfilled by whoever is considered the representative of the entity in accordance with the provisions of the general tax regulations, or by its taxpayer members. IRPFABBR or by Corporation Tax in the case of entities established abroad.

Note: Entities subject to the income attribution regime must notify their members in writing, within one month from the end of the deadline for submitting the declaration, of the information referred to in paragraphs b), c) and d) above. Since the declaration is submitted in the month of January of each year, the aforementioned notification will be made during the month of February.

2. Other tax obligations

Although entities under the income attribution regime are not considered taxpayers for the IRPFABBR nor for Corporation Tax, however, they must comply with certain tax obligations or duties arising from the application of the tax management procedure, especially if they carry out economic activities. For their part, members of the aforementioned entities are also obliged to comply with certain tax obligations or duties, apart from those corresponding to the entity.

Regarding the management of IRPFABBR With respect to the tax obligations and duties of entities under the income attribution regime that carry out economic activities and those of each of their members, they are distributed as follows:

a. Obligations of the entity under the income attribution regime:

- Filing of census returns.
- Keeping of accounts and/or records of the activity.
- Issuance of invoices.
- Those of the withholding agents or those required to make payments on account.
- Determination of attributable income and payments on account.
- Obligations to provide information.

b. Obligations of each of the partners, commoners or participants:

- Filing of census declaration.
- Making split payments.
- Declaration of attributed income.

Allocation of income from Spanish and European economic interest groups and temporary business unions

Regulations: Articles 43 to 47 LIS

Scope

The special regime for imputation of income is applicable to the following entities:

- **Spanish Economic Interest Groups** regulated by Law 12/1991, of April 29, on Economic Interest Groups.
- **European Economic Interest Groupings** regulated by Regulation EEC/2137/1985, of July 25, of the Council.
- **Temporary Business Associations** regulated by Law 18/1982, of May 26, on the Tax Regime of Groups and Temporary Business Associations and Regional Industrial Development Companies, which are registered in the Special Registry of the Ministry of Finance.

Contents of the special regime

The special features of this special tax imputation regime are the following:

a. Entities to which this regime applies are subject to Corporate Tax, except for the payment of the tax debt for the part of the taxable base attributable to shareholders resident in Spanish territory.

b. The imputation to partners resident in Spanish territory or non-residents with a permanent establishment in the same includes the following concepts:

- Net financial expenses that, in accordance with article 16 of the LIS , have not been subject to deduction in these entities in the tax period. Net financial expenses charged to partners will not be deductible by the entity.
- The capitalization reserve that, in accordance with the provisions of article 25 of the LIS , has not been applied by the entity in the tax period. The capitalization reserve allocated to its partners may not be applied by the entity, unless the partner is a taxpayer of IRPFABBR.
- The taxable bases, positive (reduced or increased, where appropriate, in the equalization reserve referred to in article 105 of the LIS) or negative, obtained by these entities. Negative tax bases attributed to partners will not be offset by the entity that obtained them.
- The bases for the deductions and bonuses in the fee to which the entity is entitled. The bases for deductions and bonuses will be integrated into the partners' settlement, reducing the fee as appropriate according to the rules of the IRPFABBR or Corporate Income Tax, depending on whether the partner is a taxpayer, respectively, of the aforementioned taxes.
- The withholdings and payments on account corresponding to the entity.

The reserve for leveling tax bases referred to in article 105 of the LIS will be added, where appropriate, to the tax base of the economic interest group.

c. The imputations of the concepts discussed above will be made according to the following criteria:

- When the partners or member companies are entities subject to this regime, on the date of completion of the tax period of the entity subject to this regime.
- In other cases, in the following tax period, unless it is decided to do so continuously on the same date as the end of the tax period of the entity subject to this regime. The option will be manifested in the first declaration of the IRPFABBR in which it is to take effect and will remain in effect for three years.

d. Dividends and profit shares corresponding to partners who must bear the imputation and originate from tax periods during which the entity was under this regime, will not be taxed under the IRPFABBR nor by Corporation Tax. Its amount will not be included in the acquisition value of the shares of the partners to whom it was attributed. In the case of partners who acquire shares after the allocation, their acquisition value will be reduced by said amount.

e. In the transfer of shares in the capital, equity or results of these entities, the acquisition value will be increased by the amount of the company profits that, without effective distribution, would have been attributed to the partners as income from their shares in the period of time between their acquisition and transfer.

Furthermore, in the case of shares in Temporary Business Associations, the acquisition value will be reduced by the amount of the social losses that have been attributed to the partners.

In the case of Economic Interest Groups, when the accounting criteria so establish, the acquisition value will be reduced by the amount of financial expenses, negative tax bases, the capitalisation reserve, and deductions and bonuses, which have been attributed to the partners in the period of time between their acquisition and transfer, until the aforementioned value is cancelled, the corresponding financial income also being integrated into the tax base.

Imputation of incomes in the international tax transparency scheme

Regulations: Art. 91 Law IRPFABBR

The international tax transparency regime involves the attribution to a person or entity resident in Spanish territory of certain income obtained by a majority-owned entity residing abroad when the taxation on that income abroad is significantly lower than that which would have occurred in Spanish territory, an attribution that occurs even if the income has not been effectively distributed.

Scope

Positive delimitation

Regulations: Art. 91.1 Law IRPFABBR

Without prejudice to the provisions of international treaties and conventions that have become part of our domestic legal system, **the taxpayers of IRPFABBR must be included in the general taxable income base for the tax period**, as a more independent and autonomous component of it, the **positive income obtained by a non-resident entity** in Spanish territory, provided that said income belongs to one of the classes detailed in the following section and the following circumstances apply regarding the degree of participation and the level of taxation of the non-resident entity:

a. Degree of participation in the non-resident entity

The taxpayer's participation in the capital, equity, results or voting rights of the entity not resident in Spanish territory, on the closing date of the latter's financial year, **must be equal to or greater than 50 percent**.

For these purposes, the taxpayer's participation may be **directly** in the non-resident entity or **indirectly** through another or other non-resident entities.

This degree of participation may be held by the taxpayer himself or jointly with related entities, as provided for in article 18 of the LIS, or with other taxpayers linked by family ties, including the spouse, in a direct or collateral line, consanguineous or by affinity, up to the second degree inclusive.

Precision: For the purpose of determining whether the participation of all of them is equal to or greater than 50 percent, in addition to the taxpayer's participation, only the participation of the spouse or relatives who are taxpayers should be taken into account. IRPFABBR, therefore excluding the participation of non-residents from said calculation.

b. Level of taxation of the participating non-resident entity

The tax of an identical or analogous nature to the Corporate Tax paid by the non-resident entity in which the company participates due to the income that must be included, must be less than 75% of the taxation that would correspond to the same income in the Spanish Corporate Tax.

Negative delimitation: Entities not resident in Spanish territory excluded from the international tax transparency regime

Regulations: Art. 91.14 Law IRPFABBR

The allocation of income in the international tax transparency regime is not applicable when the entity not resident in Spanish territory is resident in another Member State of the European Union or is part of the European Economic Area Agreement, provided that the taxpayer proves that it carries out economic activities.

It is also not applicable when it is a collective investment institution regulated by Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 coordinating the laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, established and domiciled in a Member State of the European Union.

Therefore, for the application of this imputation regime, the entity not resident in Spanish territory cannot be resident in another Member State of the European Union or that is part of the European Economic Area Agreement, or being resident in another Member State of the European Union or the European Economic Area, the taxpayer cannot prove that it carries out economic activities or is a collective investment institution regulated by Directive 2009/65/EC.

Content of the special regime and time of imputation

Income subject to imputation

We must distinguish between:

- **Income obtained from entities that do not carry out economic activities**

Regulations: Art. 91.2 Law IRPFABBR

Taxpayers will impute the **total income** obtained by the entity not resident in Spanish territory when it does not have the corresponding organization of material and personal means to obtain it, even if the operations are of a recurring nature. That is, when it is considered that these entities do not carry out economic activities.

Total income shall be understood as the amount of the taxable base that results from applying the criteria and principles established in the LIS and in the other provisions relating to Corporate Tax for determining the same.

However, the above will not apply when the taxpayer proves that the aforementioned operations are carried out with the material and personal resources existing in an entity not resident in Spanish territory belonging to the same group, within the meaning of article 42 of the Commercial Code, regardless of its residence and the obligation to prepare consolidated annual accounts, or that its constitution and operation respond to valid economic reasons.

The group of companies referred to in Article 42 of the Commercial Code shall be understood to include multi-group and associated entities in the terms of commercial legislation.

- **Income obtained from entities that carry out economic activities**

Regulations: Art. 91.3 Law IRPFABBR

As a general rule and with the nuances contained in article 91.3 of the Law of IRPFABBR When the total income obtained cannot be attributed in accordance with the provisions of the previous section, the resident partner is obliged to attribute to the general part of the tax base only the positive income obtained by the non-resident entity in Spanish territory that comes from each of the following sources:

- a. **Ownership of real estate** , rural and urban, **or of property rights that fall on these** , unless they are affected by an economic activity or transferred for use to other non-resident entities, belonging to the same group of companies as the owner in the sense of

article 42 of the Commercial Code, regardless of their residence and the obligation to prepare consolidated annual accounts, and are also affected by an economic activity.

b. Participation in equity of any type of entity and transfer of equity to third parties, that have such consideration in accordance with the provisions of the regulations of IRPFABBR except those derived from the following financial assets:

- Those held to comply with legal and regulatory obligations arising from the exercise of economic activities.
- Those that incorporate credit rights arising from contractual relationships established as a result of the development of economic activities.
- Those incurred as a result of carrying out intermediation activities in official securities markets.
- Those held by credit institutions and insurance companies as a result of the exercise of their business activities, without prejudice to the provisions of letter i).

c. Capitalization and insurance operations , whose beneficiary is the entity itself.

d. Industrial and intellectual property, technical assistance, movable property, image rights and lease or sublease of businesses or mines, who have such consideration in accordance with the provisions of Article 25.4 of the Law of IRPFABBR.

However, income from image rights that must be attributed in accordance with the provisions of Article 92 of the Law will not be subject to imputation. IRPFABBR

e. Transfer of assets and rights referred to in letters a), b), c) and d) above that generate income.

f. Derivative financial instruments , except those designated to cover a specifically identified risk arising from the performance of economic activities.

g. Insurance activities, credit activities, financial leasing operations and other financial activities except in the case of income obtained in the exercise of economic activities, without prejudice to the provisions of letter i).

h. Operations on goods and services carried out with related persons or entities, within the meaning of article 18 of the LIS , in which the non-resident entity or establishment adds little or no economic value.

i. Credit, financial, insurance and service provision activities , except those directly related to export activities **carried out, directly or indirectly, with related persons or entities** , in accordance with article 18 of the LIS , resident in Spanish territory, and **n as long as they determine tax-deductible expenses** in said resident persons or entities.

Income not subject to imputation

Regulations: Art. 91.3.i), 4, 5 and 9 Law IRPFABBR

Without prejudice to the above, the following incomes are not eligible for imputation:

- Positive income corresponding to income derived from credit, financial, insurance or service provision activities, when at least two thirds of the income corresponding to them has been made with persons or entities not related in the terms of article 18 of the LIS .
- The positive income referred to in the previous section " [Income susceptible to imputation](#) " when the sum of their amounts is less than 15% of the total income obtained by the non-resident entity.

However, the income referred to in letter i) of the previous section shall be imputed in all cases, without prejudice to the fact that they shall also be taken into consideration for the purposes of determining whether the sum of their amounts is less than 15% of the total income obtained by the non-resident entity.

- The amount of the tax or taxes of an identical or similar nature to the Corporate Tax actually paid by the non-resident company for the portion of income to be included.
- Dividends or profit shares, including interim dividends, in the part that corresponds to the positive income that has been imputed.

In the event of distribution of reserves, the designation contained in the corporate agreement will be observed, with the last amounts paid being understood to be applied to said reserves.

Note: *The same positive income may only be imputed once, regardless of the form and entity in which it is manifested.*

Determining the amount of positive income to be imputed and the moment in which the imputation should be made

Determining the amount of positive income to be imputed

Regulations: Art. 91.7, 10 and 12.c) Law IRPFABBR

- **Positive income amount**

The amount of positive income to be allocated to the tax base will be calculated in accordance with the principles and criteria established in the regulations governing Corporate Tax for determining the tax base, using the exchange rate in force at the close of the financial year of the entity not resident in Spanish territory.

When the participating entity is resident in a country or territory classified as a non-cooperative jurisdiction, it will be presumed, unless proven otherwise, that the income obtained by the participating entity is 15% of the acquisition value of the participation.

- **Imputation**

Once the amount of positive income has been determined, the imputation will be made in the general tax base in proportion to the participation of the resident natural person in the results of the non-resident entity and, failing that, in proportion to the participation in the capital, equity or voting rights of the entity.

In the event that the taxpayer participates indirectly in the resident entity through another or other non-resident entities, the amount of positive income to be imputed will be that corresponding to the indirect participation.

- **Limit**

In no case will an amount greater than the total income of the non-resident entity be imputed.

Tax period in which the imputation must be made

Regulations: Art. 91.6 Law IRPFABBR

The imputation will be made in the tax period that includes the day on which the non-resident entity has concluded its fiscal year, which, for these purposes, cannot be understood as lasting more than 12 months.

Measures to avoid double taxation

Deduction of the net IRPF quota

Regulations: Art. 91.9 Law IRPFABBR

It will be deductible from the net tax liability of IRPFABBR the tax or levy effectively paid abroad by reason of the distribution of dividends or profit shares, whether in accordance with a double taxation agreement or in accordance with the internal legislation of the country or territory concerned, in the part that corresponds to the positive income included in the taxable base.

This deduction may be made even when the taxes or levies correspond to tax periods other than the one in which the inclusion was made, without its amount exceeding the full amount that would have to be paid in Spain for the positive income included in the tax base.

In no case will taxes paid in countries or territories classified as non-cooperative jurisdictions be deducted.

This deduction may not exceed the full amount that would be payable in Spain for the positive income imputed in the tax base.

The amount that, in accordance with the above, is deductible must be entered in box **[0589]** of the declaration.

Remember: Dividends or profit shares are not included in the taxpayer's tax base in the part that corresponds to the positive income that has been imputed and that the same positive income may only be imputed once, regardless of the form and entity in which it is manifested.

Transfer of the taxpayer's share

Regulations: Art. 91.10 Law IRPFABBR

To determine the capital gain or loss derived from the transfer of direct or indirect holdings in non-resident entities whose income has been imputed, the Law provides for the application of specific valuation rules analogous to those usable in the case of transfer of holdings in companies that were taxed as asset-holding companies [Article 35.1.c) of the consolidated text of the Law of IRPFABBR, approved by Royal Legislative Decree 3/2004, of March 5, in force until December 31, 2006], with the exception that the imputed and undistributed social benefits referred to in the Law in the case of asset companies must be understood to be replaced in this case by the positive income imputed in the tax base.

In accordance with the above, from the transfer of direct or indirect shares in non-resident entities whose income has been imputed, the gain or loss will be computed by the difference between the acquisition and ownership value and the transfer value of those.

For this purpose, the acquisition and ownership value will be estimated as consisting of:

(+) The price or amount paid for its acquisition.

(+) The amount of corporate profits that, without effective distribution, would have been obtained by the non-resident company during the tax periods in which the taxpayer would have included in its tax base positive income from its participation in it.

The transfer value to be computed will be, at a minimum, the theoretical value resulting from the last closed balance sheet, once the net book value of the assets has been replaced by the value they would have for the purposes of the Wealth Tax, or by their market value if it were lower.

Special case: entities resident in countries or territories classified as non-cooperative jurisdiction

Regulations: Art. 91.12 Law IRPFABBR

When the participating entity is resident in a country or territory classified as a non-cooperative jurisdiction, it shall be presumed, unless proven otherwise, that the following circumstances occur:

- a. That the taxation of the non-resident entity on the income subject to inclusion is less than 75% of the amount that would have corresponded to the same income by applying the rules of the Spanish Corporate Tax.

- b. That the entity is the producer of the income listed in letters a), b), c), d), e), f) and g), h) and ei) of the heading "Income obtained from entities that carry out economic activities" within the section " [Content of the regime and time of imputation](#) ", so they must be understood as imputable.
- c. That the income obtained by the participating entity is 15% of the acquisition value of the participation.

In this regard, see the definition of non-cooperative jurisdiction set out in the First Additional Provision of Law 36/2006, of 29 November, on measures for the prevention of tax fraud, as well as Order HFP /115/2023, of 9 February (BOE of 10 February), which determines the countries and territories, as well as the harmful tax regimes, which are considered non-cooperative jurisdictions, and which is discussed in " [List of countries and territories of non-cooperative jurisdiction](#) " within the section dedicated to the "Imputation of income by partners or participants of collective investment institutions established in countries or territories classified as non-cooperative jurisdictions" in this Chapter.

Specific formal obligations derived from the international tax transparency regime

Regulations: Art. 91.11 Law IRPFABBR. See also the model approval order of the IRPFABBR

Taxpayers to whom this regime applies must submit together with the declaration for the IRPFABBR the following information regarding the entity not resident in Spanish territory:

- a. Name or company name and location of registered office.
- b. List of directors and their tax domicile.
- c. The balance sheet, the profit and loss account and the report.
- d. Amount of positive income that must be imputed in the tax base.
- e. Justification, where applicable, of the taxes paid with respect to the positive income that must be imputed.

This information must accompany the declaration of IRPFABBR It can be submitted through the electronic registry of the State Tax Administration Agency, at the Electronic Headquarters of the State Tax Administration Agency by accessing the procedure for providing supplementary documentation corresponding to the declaration.

The electronic registry of the State Tax Administration Agency is regulated by the Resolution of December 28, 2009, of the Presidency of the State Tax Administration Agency, which creates the electronic Headquarters and regulates the electronic registries of the State Tax Administration Agency.

They may also be submitted in person at the State Tax Administration Agency's registry.

All of the above shall be understood without prejudice to the provisions of section 4 of article 16 of Law 39/2015, of October 1, on the Common Administrative Procedure of Public Administrations, which establishes that the documents that interested parties send to the bodies of the Public Administrations may be submitted:

- a. In the electronic registry of the Administration or Agency to which they are addressed, as well as in the remaining electronic registries of any of the subjects referred to in article 2.1.
- b. At post offices, in the manner established by regulation.
- c. At Spanish diplomatic representations or consular offices abroad.
- d. In the registration assistance offices.
- e. In any other setting out the regulations.

Imputation of income from the transfer of image rights

Regulations: Articles Law 92 IRPFABBR and 107 RegulationIRPFABBR

Concept and scope of application

Regulations: Art. 92.1 and 2 Law IRPFABBR

The amounts received directly by the taxpayer for the transfer of the right to exploit his/her image or the consent or authorization for its use are considered [income from movable capital](#), as discussed in Chapter 5, even when said amounts are paid by the person or entity to which the taxpayer provides his/her services.

However, when such payments are received by individuals or companies that are assignees of the right to exploit the image or of the consent or authorization for its use, the following arises: **special regime for imputing income from the transfer of image rights** under which the assignor of such rights must impute the income in the general part of his taxable base of IRPFABBR.

For the special regime of imputation of income for the transfer of image rights to be applicable, each and every one of the following circumstances must be met:

- a. That the taxpayer holding the image rights has transferred the right to exploit his image or has consented to or authorized its use to another person or entity, resident or non-resident, known as the first transferee.

For these purposes, it is irrelevant whether the transfer, consent or authorization took place when the individual was not a taxpayer for the IRPFABBR.

- b. That the taxpayer provides services to a person or entity, resident or non-resident, within the scope of an employment relationship.
- c. That the person or entity with whom the taxpayer maintains the employment relationship, or any other person or entity linked to them in the terms of article 18 of the LIS , has obtained, through concerted acts with resident or non-resident persons or entities, the transfer of the right to exploitation or the consent or authorization for the use of the image of the natural person, called the second or last transferee.
- d. That the income from work obtained in the tax period by the taxpayer holding the image rights is less than 85% of the sum of the aforementioned income plus the total compensation charged to the person or entity with which the taxpayer maintains the employment relationship and who has obtained the transfer of the image rights.

Content of the special regime and time of imputation

Amount to be imputed

Regulations: Art. 92.3 Law IRPFABBR

The amount to be imputed will be the value of the consideration that has been paid prior to the contracting of the labor services of the natural person or that must be paid by the second assignee for the transfer of the right to exploitation or the consent or authorization for the use of the image of the natural person.

This amount will be increased by the amount of the advance payment made by the second transferee on the total amount paid to the first non-resident transferee and will be reduced by the value of the consideration obtained by the natural person from the first transferee as a result of the transfer, consent or authorization of the exploitation of their image, provided that said benefit was obtained in a tax period in which the natural person holding the image was a taxpayer for the IRPFABBR.

The percentage used to determine the advance payment has been 19 percent in 2025 (art. 107 Regulations IRPFABBR).

The imputation of the corresponding amount will be recorded in box **[0274]** of section "E" of the declaration.

Tax period in which the imputation must be made

Regulations: Art. 92.5 Law IRPFABBR

The imputation will be made by the taxpayer in the period corresponding to the date on which the employer (second or last transferee) makes the payment or satisfies the agreed consideration, unless for said tax period the natural person was not a taxpayer for this tax, in which case the imputation must be made in the first or last tax period for which he/she must pay this tax, as the case may be.

For these purposes, the exchange rate in effect on the day of payment or satisfaction of the agreed consideration by the second assignee will be used.

Measures to avoid double taxation

Regulations: Art. 92.4 Law IRPFABBR

When applicable, the imputation will be deductible from the full tax liability. IRPFABBR corresponding to the taxpayer who makes the imputation of the income, the following amounts:

- a. The tax or taxes of an identical or similar nature to IRPFABBR or to the Corporate Income Tax that, paid abroad by the first non-resident person or entity, corresponds to the part of the net income derived from the amount that must be included in its taxable base.
- b. He IRPFABBR or the Corporate Income Tax that, paid in Spain by the first resident transferee, corresponds to the part of the net income derived from the amount that must be included in its taxable base.

- c. The tax or levy actually paid abroad due to the distribution of dividends or shares in profits distributed by the first transferee, whether in accordance with a convention to avoid double taxation or in accordance with the internal legislation of the country or territory in question, in the part that corresponds to the amount included in the tax base.
- d. The tax paid in Spain, when the natural person is not a resident, that corresponds to the compensation obtained by the natural person as a result of the first transfer of the right to exploit his or her image or the consent or authorization for its use.
- e. The tax or taxes of an identical or similar nature to IRPFABBR satisfied abroad, which corresponds to the consideration obtained by the natural person as a result of the first transfer of the right to exploit his image or the consent or authorization for its use.

These deductions will be applied even when the taxes correspond to tax periods other than the one in which the imputation was made, and may not exceed, in total, the total amount that must be paid in Spain for the income imputed in the tax base.

In no case will taxes paid in countries or territories classified by regulation as non-cooperative jurisdictions be deducted.

See in this regard the definition of non-cooperative jurisdiction contained in the First Additional Provision of Law 36/2006, of November 29, on measures for the prevention of tax fraud and discussed in " [List of countries and territories of non-cooperative jurisdiction](#) " within the section dedicated to the "Imputation of income by partners or participants of collective investment institutions established in countries or territories classified as non-cooperative jurisdiction" in this Chapter.

The amount corresponding to the taxes that, in accordance with the above, are deductible will reduce the total net quota, for which they must be entered in box **[0590]** of section "M" of the declaration.

Other measures to avoid overtaxation of imputed income

Regulations: Article 92.6 of the Law IRPFABBR

The imputation regime discussed in this section is complemented by the measures established to avoid overtaxation of imputed income.

For this purpose, the dividends or profit shares, including interim dividends, distributed by the latter in the part corresponding to the amount that has been imputed by the taxpayer holding the image rights as a result of the imputation regime, will not be imputed in the personal tax of the partners of the first transferee.

In the event of distribution of reserves, the designation contained in the corporate agreement will be observed, with the last amounts paid being understood to be applied to said reserves.

Dividends or shares distributed by the first transferee that, in accordance with the above, have not been included in the tax base of the partners, will not entitle them to the deduction for international double taxation.

Note: *The same amount may only be charged once, regardless of the form and to whom it is expressed.*

Special regime for workers posted to Spanish territory

Regulations: Article 93 of the Law IRPFABBR

The [special tax regime applicable to workers posted to Spanish territory](#) is discussed in Chapter 2.

Imputation of income by partners or participants of collective investment institutions established in countries or territories classified as non-cooperative jurisdiction

Regulations: Article 95 and eighth transitional provision of the Law IRPFABBR

The Personal Income Tax Law dedicates a section (Section 6) of its Title X and two articles (94 and 95) to the taxation corresponding to the partners or participants of the following collective investment institutions:

- Those regulated by Law 35/2003, of November 4, on Collective Investment Institutions.

In accordance with Article 1 of Law 35/2003 of November 4, on Collective Investment Institutions:

1. Collective Investment Institutions (IIC, hereinafter) are those whose purpose is to raise funds, assets or rights from the public to manage and invest them in assets, rights, securities or other instruments, whether financial or not, provided that the investor's return is established based on the collective results.

Those activities whose purpose is different from that described in the previous paragraph will not be considered collective investment. Likewise, those entities that do not meet the requirements established in this law will not be able to be established as IICs.

2. The IICs will take the form of an investment company or investment fund.

3. The IICs may be of a financial or non-financial nature, under the terms established in Title III of this law.

- Those regulated by Directive 2009/65/EC of the European Parliament and of the Council, of July 13, 2009, other than the above, which are established and domiciled in a Member State of the European Union and registered in the special registry of the National

Securities Market Commission, for the purposes of their marketing by entities resident in Spain and

- Those established in countries or territories considered non-cooperative jurisdictions.

The taxation applicable to the partners or participants of the first two collective investment institutions is regulated in article 94 of the Law of IRPFABBR and it does not present differences in treatment with respect to the income subject to imputation to the partners or participants, applying the IRPF regulations that correspond to each type of income according to its origin or source, except for some specialities for listed investment funds and listed index SICAVs and in the application of the deferral regime for reinvestment in SICAVs whose commentary is included in the corresponding chapter of this Manual.

Unlike the tax incentives established for investment in the aforementioned collective investment institutions (tax deferral regime), a special tax regime is established in Article 95 of the Law for the taxation of partners or participants in collective investment institutions established in countries or territories considered as non-cooperative jurisdictions. IRPFABBR which aims to do the opposite, to discourage taxpayers from investing in this type of collective investment institution.

This special tax imputation regime is as follows:

Attributable income

The income imputation regime regulated by Article 95 is applicable to taxpayers of IRPFABBR that participate in collective investment institutions established in countries or territories classified by regulation as non-cooperative jurisdictions, and the following distinctions must be made:

When there is no transfer or reimbursement of shares or interests in collective investment institutions

Under this regime, partners or participants in collective investment institutions established in countries or territories that are regulated as non-cooperative jurisdictions must impute each year, even if the transfer or reimbursement has not taken place, in the general part of the tax base **the positive difference between the net asset value of the participation on the day of the closing of the tax period and its acquisition value at the beginning of the aforementioned period**. For these purposes, it will be presumed, unless proven otherwise, that this difference is 15% of the acquisition value of the share or participation.

This income is classified as imputed income (not as a capital gain) and must be included in the general taxable base of IRPFABBR in each tax period.

The amount imputed will be considered the higher acquisition value of the share or participation.

The profits distributed by the collective investment institution will not be allocated and will reduce the acquisition value of the share.

When there is a transfer or reimbursement of shares or interests in collective investment institutions

In these cases, once the acquisition value has been calculated in accordance with the provisions of the previous section, the income derived from the transfer or redemption of the shares or holdings will be determined in accordance with the provisions of Article 37.1.c) of the Law of IRPFABBR which is discussed in the section "[Transfers or redemptions of shares or units in collective investment institutions regulated by Law 35/2003](#)" within the specific valuation rules for determining the amount of capital gains or losses in Chapter 11 of this Manual.

Remember : *The special tax deferral regime provided for in Article 94 of the Law does not apply to the transfer or redemption of shares or units in collective investment institutions established in countries or territories classified by regulation as having non-cooperative jurisdiction. IRPFABBR.*

Transitional scheme

Regulations: Eighth Transitional Provision of the Law IRPFABBR

Shares and stocks acquired before January 1, 1999

For the purposes of calculating the excess of the net asset value, the acquisition value will be taken as the net asset value on January 1, 1999, with respect to the shares and stocks owned by the taxpayer in said year. The difference between this value and the effective acquisition value shall not be taken as the acquisition value for the purposes of determining the income derived from the transfer or reimbursement of the shares or interests.

Profits obtained prior to January 1, 1999

Dividends and profit shares distributed by collective investment institutions, which derive from profits obtained prior to 1 January 1999, shall be included in the tax base of the partners or participants thereof. For these purposes, it shall be understood that the first distributed reserves have been allocated with the first profits earned.

Example:

Mr. SMG has held since March 1998 a share in a collective investment institution established in a country classified by regulation as a non-cooperative jurisdiction, the acquisition value of which was the equivalent of 12,020 euros.

The net asset value of said share as of 31-12-2025 is 31,800 euros.

Determine the income attributable to the 2025 financial year, knowing that the net asset value of the shareholding on 01-01-1999 amounted to the equivalent of 12,500 euros and that the imputed income in the financial years 1999 to 2024 amounted to 16,200 euros.

Solution:

Income imputation for the year 2025:

- Net asset value as of 12-31-2025: 31,800
- Acquisition value at 01-01-2025: 28,700 [\(1\)](#)
- Attributable income (31,800 - 28,700) = 3,100

Note to example:

(1) The determination of the acquisition value at the beginning of the tax period is made starting from the liquidation value on 01-01-1999 (12,500 euros) and adding to that amount the income imputations made in the years 1999 to 2024 (16,200). So that: 12,500 + 16,200 = 28,700. [\(Back\)](#)

List of countries and territories classified as non-cooperative jurisdiction

Definition of non-cooperative jurisdiction

The first Additional Provision of Law 36/2006, of November 29, on measures for the prevention of tax fraud (BOE of November 30), after the modification introduced by the sixteenth article of Law 11/2021, of July 9, on measures to prevent and combat tax fraud, transposing Council Directive (EU) 2016/1164, of July 12, 2016, establishing rules against tax avoidance practices that directly affect the functioning of the internal market, modification of various tax rules and regulations on gambling (BOE of July 10), contains the definition of countries and territories that are considered non-cooperative jurisdictions that replace tax haven jurisdictions, with low or no taxation and effective exchange of tax information.

Regarding the definition of non-cooperative jurisdictions, sections 1 and 2 establish:

1. *Non-cooperative jurisdictions shall be considered to be countries and territories, as well as harmful tax regimes, which are determined by the Minister of Finance by Ministerial Order in accordance with the criteria established in the following sections of this article.*
2. *The list of countries and territories that are considered non-cooperative jurisdictions may be updated based on the following criteria:*
 - a. *On fiscal transparency:*
 1. *The existence with said country or territory of regulations on mutual assistance in matters of exchange of tax information under the terms provided for in Law 58/2003, of December 17, General Tax Law, which is applicable.*
 2. *Compliance with an effective exchange of tax information with Spain.*
 3. *The result of peer reviews conducted by the Global Forum on Transparency and Exchange of Information for Tax Purposes.*
 4. *The effective exchange of information relating to the beneficial owner, as defined in the terms of Spanish regulations on the prevention of money laundering and terrorist financing.*

For the purposes of this letter a), effective exchange of information means the application of the regulations on mutual assistance in matters of exchange of tax information in accordance with the terms of reference approved by the Global Forum on Transparency and Exchange of Information for Tax Purposes.

b. That facilitate the celebration or existence of extraterritorial instruments or companies, aimed at attracting benefits that do not reflect real economic activity in said countries or territories.

c. *The existence of low or no taxation.*

Low taxation exists when the country or territory in question applies an effective tax rate that is considerably lower, including the zero rate, than that required in Spain for a tax identical or similar to Personal Income Tax, Corporate Tax or Non-Resident Income Tax.

There is no taxation when the country or territory in question does not apply a tax identical or similar to the Personal Income Tax, the Corporate Tax or the Non-Resident Income Tax, as applicable.

Taxes whose purpose is to tax income, even partially, will be considered as identical or analogous taxes, regardless of whether the object of the tax is the income itself, the revenue or any other indicative element thereof.

3. *The list of harmful tax regimes that are considered non-cooperative jurisdictions may be updated based on the criteria of the Code of Conduct on Business Taxation of the European Union or the Forum on Harmful Tax Regimes of the OECD.*

Attention: *all references made in the regulations of IRPFABBR Tax havens, countries or territories with which there is no effective exchange of information, or with zero or low taxation, will be understood to be subject to the definition of non-cooperative jurisdiction established by the First Additional Provision of Law 36/2006, of November 29, on measures for the prevention of tax fraud, in its wording in force from July 11, 2021.*

List of countries and territories classified as non-cooperative jurisdictions in Order HFP/115/2023, of February 9

The second transitional provision of Law 36/2006, of November 29, on measures for the prevention of tax fraud establishes that as long as the countries or territories that are considered non-cooperative jurisdictions are not determined by Ministerial Order, the countries or territories provided for in Royal Decree 1080/1991 will have such consideration.

Well, with entry into force on February 11, 2023, the Order was published HFP/115/2023, of February 9, which determines the countries and territories, as well as the harmful tax regimes, that are considered non-cooperative jurisdictions (BOE of February 10), which updates the list of countries and territories included in Royal Decree 1080/1991, of July 5, although in IRPFABBR It was not applicable until the 2024 tax period, and has been generally applicable since then.

The new list maintains countries and territories already included in the list in force under Royal Decree 1080/1991, and, as a new addition, the following are included: Barbados, Guam, Palau, American Samoa, Trinidad and Tobago and Samoa, with regard to the harmful tax regime (offshore business).

The determination of the countries and territories that are considered non-cooperative jurisdictions is based on certain criteria, which will be taken into account to determine their updating, based on the work carried out in the international arena, both within the framework of the European Union and that of the Organisation for Economic Co-operation and Development (OECD), and takes into account which countries and territories are already effectively exchanging tax information with Spain in order to act as an incentive for them to continue doing so.

With respect to those countries or territories considered non-cooperative jurisdictions with which Spain has signed an agreement to avoid international double taxation, this will also apply, provided that it does not contradict the provisions of the aforementioned agreement (this is the case of Barbados and Trinidad and Tobago).

In accordance with the above, the following territories have been removed from the original list and therefore do not appear on the list of countries listed in Order HFP /115/2023, of February 9: Antigua and Barbuda, Brunei, Cook Islands, Grenada, Jordan, Lebanon, Liberia, Liechtenstein, Macau, Mauritius, Monaco, Montserrat, Nauru, Saint Vincent and the Grenadines, and Saint Lucia.

Attention: However, please note that Order HFP /115/2023, of February 9, determining the countries and territories, as well as the harmful tax regimes, that are considered non-cooperative jurisdictions (BOE of February 10) updates the list of countries and territories listed in Royal Decree 1080/1991, of July 5, incorporating: Barbados, Guam, Palau, American Samoa, Trinidad and Tobago and Samoa, with regard to the harmful tax regime (offshore business).

This new relationship was applied to personal income tax for the first time in the IRPFABBR in fiscal year 2024.

(1) Order HFP /115/2023, of February 9, BOE of February 10

1. Eel.
2. Bahrain.
3. Barbados.
4. Bermuda.
5. Dominica.
6. Fiji.
7. Gibraltar.
8. Guam.
9. Guernsey.
10. Isle of Man.
11. Cayman Islands.
12. Falkland Islands.

13. Mariana Islands.
14. Solomon Islands.
15. Turks and Caicos Islands.
16. British Virgin Islands.
17. United States Virgin Islands.
18. Jersey.
19. Palau.
20. Samoa, with regard to the harmful tax regime (offshore business).
21. American Samoa.
22. Seychelles.
23. Trinidad and Tobago.
24. Vanuatu.

Special scheme: Capital gains due to change of residence

Regulations: Article 95 bis of the Law IRPFABBR

The special tax regime called "[Capital gains from change of residence](#)" is applicable to certain taxpayers of IRPFABBR holders of shares or holdings of any type of entity, who lose their status due to a change of residence, are discussed in Chapter 11.

Practical case

The community of property "X", whose NIF is E28000000, is made up of two commoners, each of whom has a participation percentage of 50%. The commoner "Y" is a taxpayer with the NIF and the commoner "Z" is a taxpayer with the Corporate Tax. The joint ownership community obtained the following income in the 2025 financial year:

- 12,200 euros from the year-round rental of a home to a married couple. The property was acquired by the entity in 2000, with the acquisition cost paid by the entity amounting to 250,000 euros. The property's cadastral reference is 0052807VK4724A0003KI. The cadastral value of the property in the year 2025 was 58,500 euros, of which 40 percent corresponds to the value of the land.

The expenses paid by the entity during the 2025 financial year in relation to the property were as follows:

- I receive community: 1,100 euros.
- Receipt IBI : 360 euros.
- Interest derived from the financing of the property: 1,300 euros.
- 1,200 euros, in the form of interest derived from a fixed-term deposit of two years and one day. The settlement of the aforementioned interest occurred, upon expiration of the term, on October 2, 2025.
- 1,800 euros, in the form of dividends from shares of an entity resident in Spanish territory. The administration and deposit fees for the shares amounted to 10 euros.
- The community of property carries out a business economic activity whose net income is determined using the direct estimation method, normal modality. According to the company's accounting records and data, income for the year amounted to 50,000 euros, with deductible expenses, including tax-deductible amortizations, amounting to 20,000 euros.
- On January 10, 2025, it sold on the stock exchange for 150,000 euros, after deducting the expenses inherent to said transfer paid by the entity, a package of shares acquired on October 1, 1999 for 100,000 euros, including the expenses inherent to said acquisition paid by the entity.

- On November 15, 2025, it sold for 150,000.00 euros, after deducting the expenses and taxes inherent to said transfer paid by the entity, a property not related to the economic activity acquired on October 1, 2001 for an amount equivalent to 100,000 euros, including the expenses and taxes inherent to the acquisition paid by the entity. The cadastral reference of the property is 9872023VH5797S0001WX and its cadastral value, which has not been revised since 2011, amounts to 30,500 euros in the year 2025. The property has been unoccupied since its acquisition.
- The amount of withholdings and payments on account borne by the entity amounted to: 570 euros (228 euros on interest and 342 euros on dividends).

Determine the income attributable by the entity to each of its members and the amounts that each of them must include in the annual declaration corresponding to their personal tax.

Solution:

1. Determination by the entity of the income attributable to each member according to the rules of IRPFABBR:

1.1. Real estate capital returns:

- Total income: 12.200
- Deductible expenses:
 - I receive community: 1,100
 - Receipt IBI : 360
 - Real estate financing interests: 1,300
 - Property amortization 3% of $(60\% \times 250,000.00) = 4,500$

Total deductible expenses: 7,260.00

- Net return $(12,200 - 7,260) = 4,940$
- Income attributable to each community member $(50\% \text{ s/} 4,940) = 2,470$

1.2 Investment income:

- Net dividend yield $(1,800 - 10) = 1,790$
- Performance attributable to each community member $(50\% \text{ s/} 1,790) = 895$
- Net interest yield: 1,200
- Performance attributable to each community member $(50\% \text{ of } 1,200) = 600$

1.3. Economic activity returns:

- Total income: 50,000
- Deductible expenses, including depreciation: 20,000
- Net return $(50,000 - 20,000) = 30,000$
- Income attributable to each community member $(50\% \text{ of } 30,000) = 15,000$

1.4. Capital gains and losses (sale of shares):

- Transfer value: 150,000
- Acquisition value: 100,000

- Capital gain $(150,000 - 100,000) = 50,000$
- Income attributable to commoner "Y" $(50\% \text{ s/} 50,000) = 25,000$
- Income attributable to the commoner "Z" $(50\% \text{ s/} 50,000) = 25,000$

1.5. Capital gains and losses (sale of property):

- Transfer value: 150,000
- Acquisition value: 100,000
- Capital gain $(150,000 - 100,000) = 50,000$
- Income attributable to commoner "Y" $(50\% \text{ s/} 50,000) = 25,000$
- Income attributable to the commoner "Z" $(50\% \text{ s/} 50,000) = 25,000$

1.6. Imputed real estate income (vacant property):

- Attributable income $(2\% \text{ of } 30,500) \times (317 \div 365) = 529.78$
- Income attributable to each commoner $(50\% \text{ s/ } 529.78) = 264.89$

1.7. Withholdings and payments on account:

- Attributable to each of the commoners $(50\% \text{ s/} 570) = 285$

2. Declaration of income attributed by the joint owner "Y" taxpayer of IRPFABBR:

2.1 Real estate capital performance:

- Net attributable return: 2,470
- Reduction in housing rent $(60\% \text{ s/} 2,470) = 1,482$ [\(1\)](#)
- Computable net income $(2,470 - 1,482) = 988$

2.2. Net return on movable capital to be included in the taxable savings base:

- Dividends
 - Full amount: 900
 - Deductible expenses attributable to: 5
 - Interests:
 - Net attributable return: 600
- Total computable net income from movable capital** $(900 + 600 - 5) = 1,495$

2.3. Performance of economic activities:

- Net attributable return: 15,000

2.4. Capital gains to be included in the taxable savings base: [\(2\)](#)

- Attributable income $(25,000 + 25,000) = 50,000$

2.5. Imputed real estate income:

- Amount allocated: 264.89

Note to example:

(1) It is assumed that the contract was entered into before May 26, 2023, therefore the thirty-eighth transitional provision of the Law applies. IRPFABBR, introduced by Law 12/2023, of May 24, for the right to housing, according to which the net positive income from real estate capital derived from housing lease agreements that were entered into before May 26, 2023, will be subject to the reduction provided for in section 2 of article 23 of this law in its wording in force on December 31, 2021. Therefore, in the case presented, 60% corresponds to the part of the obtained yield. If a contract was entered into after May 26, 2023, the 50% reduction will apply as the requirements for applying the increased reduction percentages have not been met. [\(Back\)](#)

(2) Since both cases involve gains obtained from the transfer of assets (sale of shares and property), their amount is included in the taxable savings base. Regarding the gains and losses that make up the taxable savings base, see [Chapter 11](#). [\(Back\)](#)

Chapter 11. Capital gains and losses

The Tax Agency's electronic headquarters includes a “ [Virtual Income Assistant](#) ” where you can consult how to calculate capital gains or losses in the most common cases, including cases of property transfers, such as the sale of the habitual residence, but also the collection of public aid or losses in other investments or due to theft.

Subject

Positive delimitation

Regulations: Art. 33.1 and 2 Law IRPFABBR

According to Article 33.1 of the Law of IRPFABBR Capital gains and losses are variations in the value of the taxpayer's assets that become apparent on the occasion of any alteration in the composition thereof, unless they are classified as income under this Law.

From this definition it can be concluded that, for a capital gain or loss to occur, the following requirements must be met, which are analyzed below:

1. Existence of an alteration in the composition of the taxpayer's assets

As an example, **the following constitute alterations in the composition of the assets of the taxpayer:**

- Onerous or lucrative transfers of assets or rights. Examples of the former include sales of homes, commercial premises, parking spaces, rural properties, shares, etc. and, among the latter, inheritances, legacies and donations.
- The incorporation into the taxpayer's assets of money, assets or rights that do not derive from a prior transfer. This is the case, among others, of obtaining prizes of any kind, whether cash or in kind, subsidies, etc.
- The exchange of goods or rights.
- Duly justified losses in assets.

On the contrary, **the Law considers that there is no alteration in the composition of the assets and, therefore, there will be no capital gain or loss** in the following operations, provided that the award corresponds to the respective ownership share:

- a. Division of the common thing.
- b. Dissolution of the community property or termination of the matrimonial economic regime of participation.
- c. Dissolution of community property or separation of commoners.

Excess allocation in the dissolution of property communities or separation of co-owners

In order for the exercise of the action for division of jointly owned property or the dissolution of joint ownership to not imply an alteration in the composition of the assets, it is necessary that the allocations made when dissolving the joint ownership or extinguishing the co-ownership correspond to the ownership share. If one of the co-owners or joint owners is allocated assets or rights of greater value than that corresponding to their ownership share, there will be an alteration in the assets of the other co-owner(s) or joint owners. This may generate, depending on the variations in value that the property may have undergone, a capital gain or loss, regardless of whether or not there is monetary compensation. The amount of this gain or loss will be determined, in accordance with the provisions of Article 34 of the Personal Income Tax Law, by the difference between the acquisition and transfer values, values that are defined in Articles 35 and 36 of the same law. IRPFABBR, for onerous and gratuitous transfers, respectively, which are developed in the section "[Determination of the amount of capital gains or losses: general rules](#)" of this Chapter.

The above has been confirmed by the Supreme Court in its Judgment of October 10, 2022, issued in cassation appeal No. 5110/2020 (ROJ : STS 3585/2022). The issue of interest for cassation in the aforementioned judgment was to determine in what cases the compensation received by the co-owner, to whom the property is not awarded when a co-ownership is dissolved, entails for him the existence of a capital gain subject to the IRPFABBR. Taking into consideration the possible difference in the valuation of that asset between the time of its acquisition and the time of its allocation and, where applicable, that the compensation was higher than the value of the proportional part that corresponded to him on that asset.

In its third legal basis, the Supreme Court proceeds to answer the aforementioned question, establishing its interpretative criterion, in the sense that the compensation received by a co-owner, to whom the property is not awarded when the co-ownership is dissolved, will entail for said co-owner the existence of a capital gain subject to the IRPFABBR, when there is an update to the value of that asset between the time of its acquisition and the time of its award and that difference in value is positive.

This judicial doctrine has been recently reiterated by the Supreme Court in its Judgment of December 5, 2023, issued in cassation appeal No. 6962/2022 (ROJ : STS 5535/2023).

Regarding the **excesses in the awarding** the Resolution of the Central Economic-Administrative Court (TEAC) of June 7, 2018, Claim No. must be taken into account. 00/02488/2017, appeal for unification of criteria, the criteria of which are included in the [summary table](#) which can be accessed at the end of the chapter.

In these three cases (division of common property, dissolution of the community property or termination of the matrimonial economic regime of participation and dissolution of community property or separation of co-owners) the values of the assets or rights received cannot be updated, so they will retain their original values and dates of acquisition.

- d. Likewise, in accordance with the provisions of the Eighteenth Additional Provision of Law 62/2003, of December 30, on fiscal, administrative and social order measures (BOE of December 31), it will be estimated that there is no alteration in the composition of the assets in the delivery of the securities on loan or in the return of other homogeneous securities at the maturity of the loan in the terms and with the requirements established in the aforementioned Additional Provision.

Please note that Law 27/2014, of November 27, on Corporate Tax (BOE of November 28), has repealed, with regard to said tax only, with effect from January 1, 2015, section 2 of the Eighteenth Additional Provision of Law 62/2003, of December 30, which establishes the tax regime applicable to securities lending operations. Therefore, the tax treatment provided for in the aforementioned Eighteenth Additional Provision of Law 62/2003 when the lender or borrower is a taxpayer for the IRPFABBR It remains in effect.

2. That as a consequence of said alteration there is a variation in the value of the taxpayer's assets.

The mere variation in the value of the taxpayer's assets cannot be classified as capital gain or loss if it is not accompanied by the corresponding alteration in their composition . Thus, the revaluation or loss in value of certain assets such as, for example, shares, real estate, etc ., whose ownership corresponds to the taxpayer, does not give rise to capital gain or loss for tax purposes until it materializes for the taxpayer.

3. That there is no legal rule that expressly exempts said gain from taxation or makes it taxable as income.

We distinguish between:

A. Assumptions of capital gains exempt from taxation

Assumptions of capital gains exempt from taxation, the following may be cited, among others:

- **Compensation** as a result of **civil liability** for personal damages in the amount legally or judicially recognized.

See this exemption from [Article 7.d\) Law IRPFABBR in Chapter 2](#) of this Manual.

- awards, expressly declared exempt.

See this exemption from [Article 7.l\) Law IRPFABBR in Chapter 2](#) of this Manual.

- **Lottery and betting prizes** organized by the State Lottery and Betting Company and by the Autonomous Communities, the Red Cross and the National Organization of the Blind, as well as those organized by certain public bodies or entities established in other Member States of the European Union or the European Economic Area, whose total amount in the 2025 financial year is equal to or less than 40,000 euros or up to that amount when it comes to prizes that exceed 40,000 euros.

Prizes **whose total amount exceeds 40,000** will be subject to taxation on the portion thereof that exceeds said amount.

This exemption will apply provided that the amount of the tenth, fraction, lottery coupon or the bet placed is at least **0.50 euros** . If **is less than 0.50 euros** , the maximum exempt amount will be reduced proportionally.

In the event that the prize is jointly owned, the exempt amount will be prorated among the joint owners based on their corresponding share.

Important : From January 1, 2013, these prizes, which were previously completely exempt, became subject to the IRPFABBR through a special tax of 20 percent that will be levied independently on each winning lottery ticket, fraction or coupon (Thirty-third Additional Provision.2 of the Law of IRPFABBR).

- **Compensation** paid by **Public Administrations for personal injury** as a result of the operation of public services, when established in accordance with the procedures provided for in Laws 39/2015, of October 1, on the Common Administrative Procedure of Public Administrations (BOE of October 2) and 40/2015, of October 1, on the Legal Regime of the Public Sector (BOE of October 2).

See this exemption from [Article 7.q\) Law IRPFABBR in Chapter 2](#) of this Manual.

B. Assumptions of capital gains that, by express provision of the Personal Income Tax Law, are taxed as income

As assumptions of **capital gains that, by express provision of the Law of IRPFABBR, are taxed as income** Among others, the following can be cited:

- Constitution or transfer of rights or powers of use or enjoyment over real estate, which are legally classified as income from real estate capital.
- Securities or shares that represent participation in the equity of an entity, which constitute income from movable capital.
- Transmission, reimbursement, amortization, exchange or conversion of any type of assets representing the raising and use of external capital, which only generate capital gains.
- Results derived from capitalisation operations and life or disability insurance contracts, which give rise to income from movable capital, unless they come from social security systems, in which case they give rise to employment income.

The [social security systems](#) whose benefits constitute employment income are detailed in Chapter 3 of this Manual.

Negative delimitation

Regulations: Art. 33.3 Law IRPFABBR

In certain cases, despite a change in the composition and value of the taxpayer's assets, the Law of IRPFABBR esteems **that there is no capital gain or loss**. These assumptions are as follows:

a) Reductions in share capital

None of the methods of capital reduction immediately give rise to a capital gain or loss derived from said operation, but rather this will be generated when the securities or shares affected by the capital reduction are transferred, resulting in a deferral of the taxation of these incomes.

In accordance with the provisions of articles 317 et seq. of the consolidated text of the Capital Companies Act, approved by Royal Legislative Decree 1/2010, dated 2 July (BOE of 3 July), which repeals, with effect from 1 September 2010, the consolidated text of the Public Limited Companies Act, the reduction of capital may have the purpose of returning contributions, forgiving passive dividends, establishing or increasing the legal reserve or voluntary reserves or restoring the balance between the capital and the assets of the company reduced as a result of losses. The reduction may be carried out by decreasing the nominal value of the shares, redeeming them or grouping them together for exchange.

However, in cases of capital reduction with the return of contributions to partners, immediate tax effects may occur, since the amount of the return of contributions, or the normal market value of the assets or rights received, if received in kind, will reduce the acquisition value of the affected securities or shares (taking into account that those acquired first are considered affected) until their cancellation. Any excess that may result will be taxed as income from movable capital in the manner provided for the distribution of the issue premium.

If the capital reduction comes from undistributed profits, all amounts received will be taxed as dividends. For these purposes, capital reductions, whatever their purpose, will be considered to affect first of all the part of the share capital that does not come from undistributed profits, until their cancellation.

The tax treatment applicable in the event of capital reduction and distribution of the share premium carried out after September 23, 2010 by variable capital investment companies ([SICAV](#)), is discussed in [Chapter 5](#) of this Manual.

Immediate tax effects may also occur in the case of a capital reduction whose purpose is the return of contributions and does not come from undistributed profits, corresponding to securities not admitted to trading in any of the regulated securities markets defined in Directive 2014/ 65/ EU of the European Parliament and of the Council, of May 15, 2014, relating to markets in financial instruments, and representative of participation in own funds of companies or entities.

It should be noted that although Article 33.3 of the Law IRPFABBR It refers to Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments, that directive was repealed, with effect from 3 January 2017, by Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments. This, in its article 94, provides that references to Directive 2004/39/EC will be understood to be made to Directive 2014/65/ EU .

In this case, article 33.3 of the Law of IRPFABBR It considers the income from movable capital to be the amount obtained or the market value of the assets received, up to the limit of the positive difference between the value of the shareholding according to the equity corresponding to the last financial year closed prior to the date of capital reduction and the acquisition value of the title. However, the excess over this limit will reduce the acquisition value of the shares or interests until it is nullified and if the amount received also exceeds the amount of the acquisition value, the new excess will be taxed as income from movable capital.

Income from movable capital in the case of [distribution of the issue premium and capital reduction with return of contributions](#) that does not come from undistributed profits, corresponding to securities not admitted to trading, are discussed in Chapter 5 of this Manual, within the section "Income obtained from participation in equity of any type of entity".

Rules applicable to shares affected by reduction of share capital .

Regulations: Art. 33.3 and Eighth Additional Provision of the Law IRPFABBR

For the purpose of determining the amount of the future capital gain or loss, the Law of IRPFABBR incorporates precise rules in order to identify the values or shares affected by the capital reduction and the tax repercussions that this causes in the acquisition values and in the transfer value of the values or shares not admitted to trading that are transferred after the capital reduction.

- If the reduction of the share capital, whatever its purpose, is carried out by means of the amortization of the securities or participations, the shares acquired first will be considered to be amortized, and their acquisition value will be distributed proportionally among the remaining homogeneous securities that remain in the taxpayer's assets.
- When the reduction of the share capital is carried out by other means, such as, for example, by reducing the nominal value of the shares and does not affect equally all the securities or shares in circulation of the taxpayer, it will be understood to refer to those acquired first.

Otherwise, the capital reduction will be deemed to have occurred in each of the shares or interests in which it was carried out.

- When securities or shares not admitted to trading are transferred after a capital reduction implemented through a decrease in the nominal value that does not affect all securities or shares equally, the transfer value will be considered to be that which would correspond to the nominal value resulting from the application of the provisions in the previous paragraph. In the event that the taxpayer has not transferred all of his securities or shares, the positive difference between the transfer value corresponding to the nominal value of the securities or shares actually transferred and the transfer value will be reduced by the acquisition value of the remaining homogeneous securities or shares until they are cancelled. The excess could be taxed as capital gain.

b) Lucrative transfers due to the death of the taxpayer

In the case of lucrative transfers due to the death of the taxpayer, the Law excludes from taxation any possible gain (known as "capital gains of the deceased") or capital loss that may occur from the transfer of his assets to his heirs, regardless of who is the beneficiary of the succession.

Precision: transmission through succession agreements (contractual succession)

The Resolution of the Central Economic-Administrative Court (TEAC) of March 2, 2016, Claim number 00-02796-2015, issued in an extraordinary appeal for the unification of criteria, has indicated that the provisions of article 33.3.b) of the Law of the [missing text] are applicable to the alteration of assets made manifest on the occasion of the transfers carried out through the institution of the separation regulated in Law 2/2006, of June 14, of Galician Civil Law. IRPFABBRTherefore, it is estimated that in these cases there is no capital gain or loss subject to IRPF, since the characteristics of this succession agreement of Galician civil law allow us to conclude that we are dealing with an acquisition mortis causa. This criterion has been endorsed by the Supreme Court Judgment of February 9, 2016, issued in cassation appeal no. 325/2015 (ROJ: STS 407/2016).

As a consequence of the above, the cases of transfers of assets derived from succession agreements, including those other than those of separation, are considered as transfers due to death for the purposes of applying the provisions of article 33.3.b) of the Law of IRPFABBR, even if the transferor has not died.

In this regard, it should be noted that the institution of "succession agreements" (contractual succession), prohibited under common law (articles 1,271, 658 and 816 of the State Civil Code), is maintained in the civil, regional or special laws of certain Autonomous Communities where the Civil Code is not fully in force (Aragon, the Balearic Islands, Catalonia, Galicia, Navarre and the Basque Country).

The extension of this criterion is confirmed by its incorporation into Article 36 of the Law of IRPFABBR of the beneficiary's subrogation in the position of the deceased in cases where the acquired asset is transferred before the expiration of five years from the conclusion of the succession agreement or from the death of the deceased, if earlier. See in this regard the section entitled "[Determination of the amount of capital gains or losses: general rules](#)" of this Chapter.

c) Lucrative "inter vivos" transfers (donations) of companies or shares

This assumption refers to donations in favor of the spouse, descendants or adopted children, individual companies or shares in entities of the donor to which the 95% reduction contemplated in section 6 of article 20 of Law 29/1987, of December 18, on the Tax on Inheritances and Donations is applicable (BOE of December 19).

Article 20.6 of Law 29/1987, of December 18, on the Tax on Inheritances and Donations, provides :

6. In cases of transfer of shares "inter vivos", in favor of the spouse, descendants or adopted children, of a sole proprietorship, a professional business or of shares in entities of the donor to which the exemption regulated in the eighth section of article 4 of Law 19/1991, of June 6, on Wealth Tax is applicable, a reduction in the taxable base will be applied to determine the taxable amount of 95% of the acquisition value, provided that the following conditions are met:

a) That the donor was sixty-five years of age or older or was permanently disabled, either absolutely or severely disabled.

b) That, if the donor were to perform management functions, he would cease to perform and receive remuneration for the performance of said functions from the time of the transfer.

For these purposes, mere membership of the Board of Directors of the company shall not be deemed to be included among management functions.

c) As for the donee, he/she must keep what he/she has acquired and be entitled to exemption from the Wealth Tax for ten years following the date of the public deed of donation, unless he/she dies within this period.

Likewise, the donee may not carry out acts of disposal and corporate operations that, directly or indirectly, may give rise to a substantial reduction in the value of the acquisition. This obligation will also apply in cases of acquisitions "mortis causa" referred to in letter c) of section 2 of this article.

In the event that the requirements referred to in this section are not met, the portion of the tax that was not paid as a result of the reduction applied and the late payment interest must be paid."

Regarding article 4.8 of Law 19/1991, of June 6, of IP to which Article 26.6 refers, see the section "Business and professional assets" of the general exemptions in Article 4 of the aforementioned Law, within the [Chapter 2](#) from the Practical Handbook of the Wealth Tax 2025.

In the case of assets that are allocated by the taxpayer to economic activity after their acquisition, they must have been allocated uninterruptedly for at least five years prior to the date of transfer.

In these acquisitions, the donee will be subrogated to the position of the donor with respect to the values and acquisition dates of said goods (Art. 36 Law IRPFABBR).

d) Extinction of the matrimonial property regime of separation of assets

It will be deemed that there is no capital gain or loss in the termination of the matrimonial economic regime of separation of assets, when, by legal imposition or judicial resolution, compensation is produced, either monetary or through the award of assets, for a reason other than compensatory pension between spouses.

For these purposes, it must be taken into account that compensatory pension is defined in article 97 of the Civil Code, as the pension to which the spouse is entitled if the separation or divorce causes an economic imbalance in relation to the position of the other, which implies a worsening of his or her previous situation in the marriage.

These compensations will not give the right to reduce the payer's tax base nor will they constitute income for the recipient.

This assumption may not, under any circumstances, give rise to an update of the values of the assets or rights awarded.

e) Contributions to protected assets of people with disabilities

It will be estimated that there is no capital gain or loss in the contributions to the protected assets established in favor of people with disabilities.

The tax regime for contributions to such assets, both for the [holders of the same](#) and for the [contributors](#) who are relatives of the disabled person, are discussed in Chapters 3 and 13, respectively, of this Manual.

Capital gains and losses that are not included in the personal income tax base

By express legal provision, the capital gains and losses listed below are not included in the taxable base of IRPFABBR and, consequently, are not subject to taxation under this tax.

Capital gains not subject to personal income tax

Capital gains subject to inheritance and gift tax

Regulations: Art. 6.4 Law IRPFABBR

It is declared not subject to it IRPFABBR To avoid double taxation on the same, capital gains derived from the acceptance of donations, inheritances or legacies are subject to Inheritance and Gift Tax.

Part of the capital gains generated before January 20, 2006 derived from assets acquired before December 31, 1994 .

Regulations: ninth transitional provision of the Law IRPFABBR

It is not subject to IRPFABBR the portion of the capital gain (but not the losses) generated before 20 January 2006 derived from assets not related to economic activities that, as of 31 December 1996, had remained in the taxpayer's assets for a period of time, rounded up, exceeding:

- **5 years** , in the case of shares admitted to trading on any of the official secondary securities markets defined in Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments and representing equity participation in companies or entities, with the exception of shares representing the share capital of Real Estate and Mutual Funds Companies.

It should be noted that Directive 2004/39/EC, to which the ninth transitional provision of the Law refers, IRPFABBR It has been repealed with effect from 3 January 2017 by Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments. This, in its article 94, provides that references to Directive 2004/39/EC will be understood as references to Directive 2014/65/EU.

- **10 years** , if it concerns real estate and rights thereto or securities of the entities included in the current article 338 of Law 6/2023, of March 17, on Securities Markets and Investment Services (BOE of March 18), with the exception of shares or participations representing the share capital or assets of Real Estate Investment Companies or Funds.

Article 108 of Law 24/1988, of July 28, on the Securities Market, together with the rest of its provisions, was incorporated into the consolidated text of the Securities Market Law, approved by Royal Legislative Decree 4/2015, of October 23. The latter has been repealed by Law 6/2023, of March 17, on Securities Markets and Investment Services (BOE of March 18), although the content of the aforementioned article 108 of Law 24/1988 has been incorporated into Law 6/2023, specifically and with regard to said provision, reference must be made to its article 338.

- **8 years** , for the rest of the assets and rights.

Note: Since 1 January 2015, a maximum and overall limit of 400,000 euros has been established for all assets to which the above applies, which operates on the transfer value. Its application is discussed in the section " [Determination of the amount of capital gains or losses](#) " of this chapter.

Exempt capital gains

They are exempt from IRPFABBR capital gains that become apparent as a result of:

A. Donations of goods with the right to deduction in the quota

Regulations: Art. 33.4.a) Law IRPFABBR

Capital gains that may arise from donations of assets that meet the requirements to entitle the donor to the corresponding deduction in the tax rate are declared exempt for the donor, so they should not be included in the declaration.

See, within Chapter 16, in the section "[Deduction for donations](#)", the requirements and conditions relating to donations of property.

B. Transfer of habitual residence by persons over 65 years of age or by persons in a situation of severe or high dependency

Regulations: Art. 33.4.b) and Fifteenth Additional Provision of the Law IRPFABBR

The gain derived from the transfer, whether onerous or lucrative, of the habitual residence of taxpayers over 65 years of age should not be included in the tax base, whether the habitual residence is transferred in exchange for a capital sum or in exchange for a temporary or lifelong income, provided that the following circumstances occur:

- That the transferred property has been your habitual residence for a continuous period of at least three years, and
- That he has held full control of it during said period, even if it is shared

Therefore, when the full ownership of a home is divided between the bare owner and the usufructuary, neither of them will be eligible for the exemptions provided for in connection with the transfer of the home, even if it is their habitual residence.

Note: This interpretative criterion was established by the Supreme Court in Judgment No. 1858/2018, of December 20, issued in the administrative appeal No. 3392/2017 (ROJ : STS 4390/2018).

Without prejudice to the above, if the exemption is applied if the above requirements are met, in the event that the owner, over 65 years of age, who has held full ownership of his or her habitual residence for a continuous period of at least three years, transfers the bare ownership of the same, reserving the life usufruct over said residence.

In identical terms, the capital gain derived from the transfer of the habitual residence made by persons in a situation of severe or great dependency is also declared exempt in accordance with the Law on the promotion of personal autonomy and care for persons in a situation of dependency.

Note: For the exclusive purposes of applying this exemption, it will be understood that the taxpayer is transferring his or her habitual residence when it constitutes his or her habitual residence at that time or would have been considered as such until any day of the two years prior to the date of the transfer.

Once the taxpayer has ceased to effectively reside in their home, which had become their habitual residence, regardless of the cause that determined the cessation of effective residence (illness, unemployment, job relocation, divorce, separations, birth of a

child, etc.), they have a period of two years to sell it without loss of the right to the corresponding exemption for transfer of habitual residence by persons over 65 years of age or by persons in a situation of severe or great dependency in accordance with Law 39/2006, of December 14.

See the concept of habitual residence for the purposes of this exemption contained in the Twenty-third Additional Provision of the Law of IRPFABBR.

And, specifically in the case of separation or divorce, please note the [interpretative criterion](#) established by the Supreme Court in its ruling [no. 553/2023](#), of May 5.

C. Delivery of assets from the Historical Heritage in payment of IRPFABBR

Regulations: Art. 33.4.c) Law IRPFABBR

In cases where the payment of the tax debt corresponding to IRPFABBR is carried out, in accordance with the provisions of Article 73 of Law 16/1985, of June 25, on Spanish Historical Heritage, by means of delivery of goods forming part of the aforementioned Historical Heritage, it is exempt from IRPFABBR the capital gain that may be revealed by the difference between the acquisition value of the asset delivered and the amount of the tax debt.

D. Payment in lieu of the habitual residence

Regulations: Art. 33.4.d) Law IRPFABBR

It is declared exempt from IRPFABBR the capital gain in which the following circumstances occur:

- a. When they are established at the time of the transfer of the debtor's or the debtor-guarantor's main residence.
- b. When the transfer of the residence is carried out through a dation in payment, or in a judicial or notarial foreclosure.
- c. When the purpose of such is the cancellation of debts guaranteed with a mortgage pertaining to the main residence, contracted with credit institutions or any other entity that professionally carries out the activity of granting loans or mortgages.
- d. In any case, the owner of the main residence must not have other goods or rights that could satisfy the total amount of the debt and prevent the alienation of the property.

E. Capital gains from the transfer of certain properties

Regulations: Thirty-seventh Additional Provision of the Law IRPFABBR

1## Capital gains arising from the transfer of urban properties acquired for valuable consideration between May 12, 2012, and December 31, 2012 will be exempt by 50% ##.

The exemption applies to urban properties regardless of whether they are used in relation to economic activities.

This partial exemption is not applicable when the taxpayer has acquired or transferred the property to his or her spouse, to any person related to him or her by blood or marriage, up to the second degree included, or to an entity in respect of which any of the circumstances established in article 42 of the Commercial Code occur with the taxpayer or any of the aforementioned persons, regardless of residence and the obligation to prepare consolidated annual accounts.

In cases of reinvestment where the transferred property is the taxpayer's main residence and the amount reinvested is less than the total amount received in the transfer, the proportional part of the capital gain obtained, once the exemption provided for in this Additional Provision has been applied, corresponding to the amount reinvested under the terms and conditions provided for the exemption for reinvestment of a main residence in Article 38 of the Law, will be excluded from taxation. IRPFABBR. That is, the 50% exemption on the profit obtained from the transfer will be applied first. Of the other 50% of the profit, the proportional part corresponding to the reinvested amount will be exempt.

The conditions and requirements for the application of this exemption are discussed in section [Profits excluded from taxation in cases of reinvestment](#), of this same Chapter.

F. Exemption for shares or interests in newly created entities acquired before September 29, 2013

Regulations: twenty-seventh transitional provision of the Law IRPFABBR

Taxpayers who obtain capital gains arising from the transfer of shares or holdings in newly created or recently established entities acquired between July 7, 2011 and September 29, 2013, and which have remained in the taxpayer's assets for a period exceeding three years (calculated from date to date) may apply the exemption provided for in the **Thirty-fourth Additional Provision of the Law of IRPFABBR as worded on December 31, 2012** provided that the requirements and conditions established in said Additional Provision are met.

G. Income obtained by the debtor in bankruptcy proceedings

Regulations: Forty-third Additional Provision of the Law IRPFABBR

Income obtained by debtors that is disclosed in bankruptcy proceedings under Law 22/2003, of July 9, and since September 1, 2020, under Royal Legislative Decree 1/2020, of May 5, approving the revised text of the Bankruptcy Law, are exempt as a result of:

1. Debt relief and payment of debts established in :

- Judicially approved agreement.
- Judicially approved refinancing agreement referred to in article 71 bis and the fourth Additional Provision of Law 22/2003, of July 9, Bankruptcy and which, since September 1, 2020, is regulated in Title II of the second book, articles 596 to 630, of Royal Legislative Decree 1/2020, of May 5, which approves the revised text of the Bankruptcy Law,

- Out-of-court payment agreement referred to in Title X of Law 22/2003, of July 9, on Bankruptcy and which, since September 1, 2020, is regulated in Title III of Book Two, articles 631 to 694, of Royal Legislative Decree 1/2020, of May 5, which approves the revised text of the Bankruptcy Law.

2. Exemptions from unsatisfied liabilities referred to in article 178 bis of Law 22/2003 and which, since September 1, 2020, is regulated in Chapter II of Title XI of the first book, articles 486 to 502, of Royal Legislative Decree 1/2020, of May 5, which approves the revised text of the Bankruptcy Law.

In all cases, it is a necessary requirement for income to be declared exempt that **the debts do not derive from the exercise of economic activities** .

In the case of debts arising from the exercise of economic activities, the regime is provided for in the LIS . See Law 27/2014, of November 27, on Corporate Tax.

Regarding the criteria for allocating losses arising from overdue and uncollected debts, when a reduction established in a judicially approved refinancing agreement or in an out-of-court payment agreement becomes effective, see Article 14.2.k) of the Law on IRPFABBR.

H. Aid to offset costs in buildings affected by the release of the digital dividend

Regulations: Fifth Additional Provision of the LawIRPFABBR

Aid granted pursuant to the provisions of Royal Decree 920/2014, of October 31, regulating the direct granting of subsidies intended to offset the costs arising from the reception or access to television audiovisual communication services in buildings affected by the release of the digital dividend, will not be included in the tax base of this Tax.

I. Grants and aid for energy rehabilitation actions in buildings

Regulations: Additional Provision Five.4 LawIRPFABBR

The grants awarded for energy rehabilitation projects in buildings, under the programs established in the following Royal Decrees, will not be included in the taxable base of Personal Income Tax (IRPF) in the 2023 tax year and subsequent years:

- Royal Decree 691/2021, of August 3, regulating the subsidies to be granted for energy rehabilitation actions in existing buildings, in execution of the Energy rehabilitation program for existing buildings in municipalities with a demographic challenge (PREE 5000 Program), included in the Regeneration and demographic challenge Program of the Urban rehabilitation and regeneration Plan of the Recovery, Transformation and Resilience Plan, as well as its direct granting to the autonomous communities;
- Royal Decree 737/2020, of August 4, regulating the aid program for energy rehabilitation actions in existing buildings and regulating the direct granting of aid from this program to the autonomous communities and cities of Ceuta and Melilla;
- Royal Decree 853/2021, of October 5, regulating the assistance programs for residential rehabilitation and social housing of the Recovery, Transformation and Resilience Plan.

- Royal Decree 477/2021, of June 29, approving the direct granting to the autonomous communities and the cities of Ceuta and Melilla of aid for the execution of various incentive programs linked to self-consumption and storage, with renewable energy sources, as well as the implementation of renewable energy thermal systems in the residential sector, within the framework of the Recovery, Transformation and Resilience Plan.

J. Exempt profits from reinvestment

Regulations: Art. 38 Law IRPFABBR

See its specific [section](#) in this Chapter.

Patrimonial losses that are not computed for tax purposes as such

Regulations: Art. 33.5 Law IRPFABBR

The following will not be counted as capital losses:

A. The unjustified ones.

Particular case: computation of losses due to theft or fraud

For these purposes, two cases must be distinguished:

- That **the identity** of the author of the theft or fraud is unknown: In this case, despite constituting a capital loss in accordance with the provisions of Article 33.1 of the Law of IRPFABBR it is not possible to determine the existence of a right of credit in favor of the defrauded taxpayer against him, so for this loss to have an impact on the IRPFABBR it must be justified. Therefore, the loss may only be computed once the fact (theft) and the amount stolen have been sufficiently proven, for which the provisions of article 106.1 LGT will apply.
- **That it is possible to know the identity** of the scammer: In this case, it is appropriate to consider that there is a right of credit in favor of the taxpayer, therefore, by virtue of article 14.2 k) of the Law of IRPFABBR it will be necessary to initiate a judicial process, imputing the capital loss to the tax period in which the one-year period from the start of the judicial procedure other than those of bankruptcy proceedings that have as their objective the execution of the credit without it having been satisfied is fulfilled.

In both cases, since they do not arise from the transfer of assets, the capital loss will be included in the general taxable base, in accordance with the provisions of Article 48 of the Law of IRPFABBR.

B. Those due to lucrative transmissions by acts "inter vivos" or by liberality.

These capital losses arising from inter vivos lucrative transfers are not computed for tax purposes either for the total amount of the acquisition value, or for the difference between the acquisition value and the transfer value. Resolution of the TEAC of May 31, 2021, Claim number 00/03746/2020, issued in an extraordinary appeal for the unification of criteria.

"Capital losses arising from a gratuitous inter vivos transfer, due to the difference between the acquisition value and the transfer value, should not be included in the taxable base of the IRPFABBR of the transferor, even if capital gains also declared, derived from the same type of transfers, are included in a single act."

In this regard, the aforementioned ruling states that economic loss cannot be confused with tax loss. Economic loss occurs whenever an asset is donated or transferred free of charge, since the asset leaves the donor's estate, and the donor receives no compensation. This economic loss is never taken into account in the IRPFABBR. For its part, the tax loss does not occur in all cases where an asset is transferred free of charge if the acquisition value of the asset is less than its transfer value, understood as such, since there is no price, as indicated in articles 34 and 36 of the Law of IRPFABBR, the one that corresponds according to the regulations of ISD.

Therefore, if despite the economic loss inherent in every donation there is a taxable gain, the donor must pay tax on it in the IRPFABBR. However, if the donor experiences a loss, not only financial but also tax-related, they cannot deduct it from their tax return. IRPFABBR in accordance with the provisions of Article 33.5.c) of the Law of IRPFABBR.

See the interpretative criterion established by the Supreme Court (Administrative Litigation Division) in its FJ 4 Judgment No. 616/2024, of April 12, issued in cassation appeal No. 8830/2022 (ROJ: STS 2004/2024) and reiterated in Judgment No. 1675/2024, of October 23, issued in cassation appeal No. 1998/2023 (ROJ: STS 5122/2024) and 105/2025, of January 30, issued in the appeal for cassation no. 3478/2023 (ROJ: STS 425/2025).

C. Those due to consumption.

Thus, in the case of perishable goods or, in the case of durable consumer goods, losses in value resulting from normal use will not be computed because they are due to consumption. For example, if a vehicle is purchased for 15,000 euros and sold five years later for 4,800 euros, which is the same as its market value, there has not actually been any capital loss for tax purposes, since the difference in value is due to depreciation due to use of the vehicle.

The payment of amounts by the taxpayer to the Tax Administration as late payment interest, although it generates a change in net worth (a decrease in their assets), is considered a case of the application of income to the taxpayer's consumption, and therefore cannot be counted as a capital loss and, consequently, has no impact on the IRPFABBR in accordance with the provisions of Article 33.5.b) of the Law of IRPFABBR.

The attorney and solicitor fees for defending their own interests in court are also considered a case of applying income to the taxpayer's consumer actions, in this case the compensation for the provision of professional services. These are expenses incurred in their particular sphere, with no connection to income that could make them deductible, so they cannot be computed as a capital loss and have no impact on the tax assessment.

D. Those due to gambling losses obtained in the tax period that exceed the winnings obtained in gambling in the same period.

The calculation of profits and losses obtained in the game is carried out globally (those obtained by the taxpayer in the tax period) taking into account the profits and losses from the different games.

Under no circumstances will losses arising from participation in the games referred to in the Thirty-Third Additional Provision of the Law be taken into account. IRPFABBR which are the following:

- a. Prizes from lotteries and bets organised by the State Lottery and Betting Society and by the bodies or entities of the Autonomous Communities, as well as from draws organised by the Spanish Red Cross and from the types of games authorised by the Spanish

National Organisation for the Blind.

- b. Prizes from lotteries, bets and draws organised by public bodies or entities that carry out non-profit social or assistance activities established in other Member States of the European Union or the European Economic Area and that pursue objectives identical to those of the bodies or entities indicated in the previous letter.

It should also be noted that prizes derived from programs developed in the media in which no financial outlay is made to participate in them, and prizes derived from random combinations for advertising or promotional purposes may not be reduced by the amount of losses obtained in the game.

Note: *the effects of the provisions of Article 33.5 d) of the Law of IRPFABBR, the definition of game referred to in article 3.a) of Law 13/2011, of May 27, on the regulation of gambling, will be considered applicable, according to which game is understood as any activity in which amounts of money or economically valuable objects are risked in any form on future and uncertain results, dependent to some extent on chance, and which allow their transfer between the participants, regardless of whether the degree of skill of the players predominates or whether they are exclusively or fundamentally of luck, betting or chance. Prizes may be in cash or in kind depending on the game mode.*

E. Those derived from transfers with repurchase of the transferred asset.

They may not be included for liquidation purposes as capital losses in the same financial year in which the losses arising from the transfer of assets are generated, when the same transferred assets are reacquired within a certain period or, in the event that the transferred assets are securities or shares, when homogeneous securities or shares are acquired.

This is considered to be the case when they come from the same issuer and are part of the same financial operation or respond to a unity of purpose, including the systematic obtaining of financing, which have the same nature and transmission regime and attribute to their holders a substantially similar content of rights and obligations.

However, the homogeneity of a set of securities shall not be affected by any differences between them in relation to their unit value; dates of launch, material delivery or pricing; placement procedures, including the existence of tranches or blocks intended for specific categories of investors; or any other aspects of an accessory nature. In particular, homogeneity will not be altered by the division of the issue into successive tranches or by the provision of extensions.

The application of this precautionary rule is conditional on the repurchase being carried out within the following **periods** :

- a. **Two months before or after** the transfers, in the case of securities or shares admitted to trading on one of the official secondary securities markets defined in Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments.

Please note that Directive 2004/39/EC has been repealed with effect from 3 January 2017 by Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on instrument markets. financial. This, in its article 94, provides that references to Directive 2004/39/EC will be understood as references to Directive 2014/65/EU.

- b. **One year before or after the transfers** , when it concerns securities or shares not admitted to trading on any of the official secondary securities markets mentioned above.
- c. **One year after the transfer** , in the case of other heritage elements. It should be noted that in any case the same transferred asset must be acquired.

The capital loss obtained, which must be declared and quantified in the declaration of the fiscal year in which it was generated , will be integrated for liquidation purposes when the acquired asset is transferred or, in the case of securities or shares, as the securities or shares that remain in the taxpayer's assets are transferred.

Procedure for allocating capital losses in the event of a repurchase of homogeneous securities

When a transfer of securities or shares admitted to trading on official secondary markets occurs and a capital loss is obtained, this loss cannot be included in the taxable base of the year if, within the two months before or after the aforementioned transfer, the taxpayer has acquired homogeneous securities (i.e., of the same entity and class).

This limitation, set out in article 33.5.f) of the Law of IRPFABBRIts purpose is to prevent the taxation of capital losses arising from transfers that, in practice, do not represent a real outflow of assets, since the same securities have been repurchased in a short period of time.

A. When is a buyback considered to have occurred?

A repurchase is considered to exist when homogeneous securities are acquired within two months before or after the sale and these securities remain in the taxpayer's assets after the transfer.

For these purposes, the following situations are distinguished:

- That after the transfer there are no shares or holdings remaining in the taxpayer's assets, in which case the capital loss may be fully imputed.
- That homogeneous values remain in the assets after the sale, in which case, it is appropriate to differentiate:
 - If their number is equal to or greater than the shares or holdings purchased in the previous two months, the total number of shares or holdings purchased in the previous two months will be considered as a repurchase of shares or holdings.
 - If the number of securities remaining in the portfolio is less than the number of shares or holdings purchased in the two months prior to the transfer, a repurchase is understood to be a number equal to the number of securities remaining after the transfer.

This limitation will not apply if there was only one purchase of securities in the two months prior to the transfer and at the beginning of that period there were no homogeneous securities held.

Purchases made after the sale in the following two months must also be taken into account, as they may also determine the existence of a repurchase that prevents the immediate integration of the capital loss obtained.

B. Time frame in which the capital losses affected by the above limitations can be imputed.

The capital loss that could not be integrated in the year of the transfer due to having incurred a repurchase, will be charged in subsequent years, as the securities that are considered to have been repurchased are transferred definitively.

A transfer will be considered definitive when, in the two months before or after it, homogeneous values are not acquired again.

C. Rules for identifying the transmitted values.

In the case of homogeneous values, the FIFO (First In, First Out) rule will be applied, in accordance with article 37.2 of the Law of IRPFABBR. This means that those assets acquired first by the taxpayer will be considered to be transferred.

Examples

Example 1: Donation of shares

Mrs. PSM On December 1, 1998, he acquired a package of shares in the Public Limited Company "Z" for an amount equivalent to 6,000 euros. On October 30, 2025, she donated them to her son on the occasion of his twentieth birthday.

The valuation of the shares on the aforementioned date, according to their official market price, amounted to 7,500 euros, an amount that the son declared as their value for the purposes of the Inheritance and Gift Tax.

Solution:

This transaction has produced two capital gains:

- The first of them is the one obtained by Mrs. PSM Since, despite having donated the shares to his son and not having received anything in return, their market value increased by 1,500 euros during the time they were in his possession, an amount that constitutes a capital gain subject to IRPFABBR, which must be understood as attributable to Ms. PSM when transmitting them.
- The second gain is obtained by his son and amounts to 7,500 euros, an amount that coincides with the market value of the shares received. However, this gain is not subject to IRPFABBR but to the Inheritance and Gift Tax in which the son is considered a taxpayer.

Example 2: Dissolution of community property without alteration of assets

Mrs. RLM and Mrs. GLM They are sisters and in June 1995 they acquired a rural property through inheritance from their father, the value of which for the purposes of Inheritance and Gift Tax amounted to an amount equivalent to 3,000 euros, with notary, registry and Inheritance and Gift Tax fees amounting to the equivalent of 500 euros.

In March 2025 They decide to divide the property into two equal plots and each party is awarded full ownership of the corresponding plot, which is valued in the public deed of division at 30,000 euros.

Solution:

Since the action carried out by the sisters consisted solely of dividing the common property, each of them being awarded a plot corresponding to their share of ownership, no alteration of assets occurred in this act and, therefore, there is no capital gain for any of them. Each of the plots into which the property has been divided is incorporated into the assets of each sister for its original value, $(3,000 + 500) \div 2 = 1,750$ euros, and with the seniority of June 1995.

Example 3: Dissolution of communities of property with excess allocation

The same example above if one of the sisters were awarded the entire property, compensating the other in cash for half the amount at which it is valued in the public deed of division of the same.

Solution:

In this case, there would have been an excess of allocation, understood as the difference in value, which generates a change in assets.

The compensation received by the sister who is not awarded the property when the jointly owned property is divided would constitute a capital gain for her subject to tax. IRPFABBR, since there is an update of the value of that asset between the time of its acquisition ($3,500 \div 2 = 1,750$ euros) and the time of its allocation ($30,000 \div 2 = 15,000$ euros) and that difference in value is positive ($15,000 - 1,750 = 13,250$ euros).

See in this regard the Supreme Court's judgment of October 10, 2022, issued in appeal no. 5110/2020. (RED : STS 3585/2022).

Example 4: Individual business donation

Mr. JVC, 65, has donated his sole proprietorship founded 30 years ago to his son. The company meets the requirements set out in the Wealth Tax Law for its exemption, as well as those required for the application of the 95% reduction provided for in the Inheritance and Gift Tax Law.

Solution:

In the lucrative transfer of the company, the son (donee) may apply the 95% reduction contemplated in article 20.6 of the Inheritance and Gift Tax Law.

The father (donor) will not obtain any capital gain or loss in the transfer of his company, the donee being subrogated in the position of the donor with respect to the values and dates of acquisition of the assets comprising the company. In short, there is a deferral of taxation that will become apparent when the recipient transfers the respective assets.

Example 5: Transfer of habitual residence by persons over 65 years of age

The marriage formed by Mr. MPT and Ms. JLC, aged 70 and 68 respectively, sold their main residence on May 25, 2025 for an amount of 250,000 euros.

The property was acquired by both spouses under a community property regime on 13 March 1980 for an amount equivalent to 60,000 euros, including the expenses and taxes inherent to the acquisition.

Determine the tax consequences of such transfer.

Solution:

Since both spouses are over 65 years of age, the capital gain derived from the transfer of their main residence is exempt from tax. IRPFABBR

Determining the amount of capital gains or losses: general rules

Derived from onerous or lucrative transmissions

General calculation rules

Regulations: Articles Law 34 to 36 IRPFABBR and 40 Regulation IRPFABBR

Note: Please note the summary tables of the general rules at the end of this section.

The determination of the amount of capital gains or losses arising from the transfer, whether onerous or lucrative, of non-affected assets is determined by the **difference between the transfer and acquisition values** of the assets.

Precision: To determine the amount of the capital gain or loss arising from the see the section on specific valuation rules in this Chapter.

A. Acquisition value

The acquisition value will be formed by the sum of:

- a. **In the case of transfers for valuable consideration:** for the **actual amount** for which said acquisition would have been made.

In the case of transfers for valuable consideration, the acquisition value must be determined based on the actual amount for which the acquisition was made. Likewise, to determine the transfer value, the real amount for which the sale was made is taken as the amount actually paid, provided that it is not less than the normal market value, in which case the latter will prevail. Therefore, this will be the method for

determining the acquisition and transfer values of the transferred property for the purposes of calculating the capital gain or loss in the IRPFABBR, regardless of the establishment of a reference value for real estate for the determination of the taxable base in the ITPAJD.

However, in those cases where there is no reference value or it cannot be certified by the Directorate General of the Cadastre, the taxable base will be established in the ITPAJD. The market value, after a prior administrative verification, will be taken as the acquisition value of the properties in the IRPFABBR, as it is higher than the agreed price or consideration. Only in such cases is the Supreme Court's ruling of December 21, 2015, issued in appeal for the unification of doctrine no. applicable. 2068/2014 (ROJ : STS 5470/2015) in relation to the principle of uniqueness of values as opposed to the principle of watertightness.

b. In the case of transfers for profit or free of charge (inheritance, legacy or donation): for the **declared or the administratively verified** for the purposes of the Inheritance and Gift Tax, without this being able to exceed the market value. For these purposes, the following should be taken into account:

- For acquisitions or transfers by inheritance, gratuitously, made prior to January 1, 2022, Article 36 of the Law of IRPFABBR It establishes that the actual amounts of the respective acquisition and transfer values will be those resulting from the application of the rules of ISD, without exceeding the market value.

In accordance with the aforementioned regulations, the real value of the assets and rights will be taken, less any deductible charges and debts.

In this regard, the Supreme Court, in its reiterated jurisprudence, equates real value with normal market value (see in this regard Supreme Court ruling No. 202/1991, of May 7, 1991 (ROJ: STS 17245/1991)), and for its definition it refers to the Order of 30 November 1994 on rules for the valuation of real estate for certain financial entities (BOE of 13 December), repealed by Order ECO/805/2003, of 27 March, on rules for the valuation of real estate and certain rights for certain financial purposes (BOE of 9 April), which defines market value as: "the price at which the property could be sold, by private contract between a willing seller and an independent buyer, on the date of the appraisal, assuming that the property had been publicly offered on the market, that market conditions allowed for its orderly disposal, and that there was a normal period, taking into account the nature of the property, to negotiate the sale." See in this regard, among others, Supreme Court judgments Nos. 3379/1991, of October 5 (ROJ: STS 4887/1995), or 163/2019, of March 26 (ROJ: STS 881/2019).

- For acquisitions or transfers by inheritance, for profit, made from January 1, 2022, to the extent that the rules of the ISD establish the reference value of the properties as the taxable base (unless the declared value is higher, in which case this will be taken), this reference value will be the one that must be taken into account as the real amount for which the acquisition or transfer has been made when calculating the capital gain or loss in the Personal Income Tax, without being able to exceed the market value. The Tax Agency can therefore regularize the capital gain declared in the IRPFABBR taking into account the reference value of the property, if the taxpayer declared lower values.

However, as of July 11, 2021, in the case of lucrative acquisitions due to death, derived from **contracts or succession agreements with effect from the present**, the beneficiary thereof who transfers the acquired assets before the expiration of five years from the conclusion of the succession agreement or the death of the deceased, if earlier, will be subrogated in the position of the latter, with respect to the value and date of acquisition of those, when this value is lower than that provided for in the previous paragraph.

Law 11/2021, of July 9, on measures to prevent and combat tax fraud, transposing Council Directive (EU) 2016/1164, of 12 July 2016, which establishes rules against tax avoidance practices that directly affect the functioning of the internal market, modifying various tax rules and the regulation of gambling, has added a new paragraph to article 36 of the Personal Income Tax Law to subject to taxation those cases in which, in the five years following the conclusion of the succession agreement or the death of the deceased (if earlier), the assets are transferred by the beneficiary of the succession agreement. In this case, the successor loses the value update carried out through the ISD and is subrogated on the date and value of acquisition of the original owner. The Constitutional Court has confirmed the constitutionality of this temporary condition provided for in the new paragraph of article 36 of the Personal Income Tax Law (STC 62/2023, of May 24).

It should be noted that the institution of "succession agreements" (contractual succession) is prohibited under common law (articles 1,271, 658 and 816 of the State Civil Code), but is maintained in the civil, regional or special laws of certain Autonomous Communities where the Civil Code is not fully in force (Aragon, the Balearic Islands, Catalonia, Galicia, Navarre and the Basque Country).

Important: *The provisions for succession agreements will only apply to transfers of assets made after July 11, 2021, which were acquired for profit due to death by virtue of contracts or succession agreements with present effects.*

See in this regard the first transitional provision.4 of Law 11/2021, of July 9, on measures to prevent and combat tax fraud, transposition of Council Directive (EU) 2016/1164 of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market , modifying various tax and gambling regulations regulations (BOE of July 10)

In the **lucrative transfers of companies or shares** referred to in article 20.6 of Law 29/1987, of December 18, on the Tax on Inheritances and Donations (BOE of December 19), **the acquisition value will coincide with the original value of the donor** since the donee is subrogated in the position of the former with respect to the values and dates of acquisition of said assets.

- c. The **cost of investments and improvements** made to the acquired assets, without taking into account, for these purposes, the costs of maintenance and repair.

For these purposes, an improvement is considered to be the compensation paid by the owner to his tenant so that the latter vacates the property.

The Resolution of March 1, 2013, of the Institute of Accounting and Auditing of Accounts, which dictates rules for the registration and valuation of tangible fixed assets and real estate investments (BOE of March 8), in section 3 of its second rule understands "improvement" as the set of activities through which an alteration occurs in an element of fixed assets, increasing its previous productive efficiency.

- d. The **bills** (commissions, Notary Public, Registry, etc.) **and taxes inherent to the acquisition** (Property Transfers and Documented Legal Acts, IVAABBR or Inheritance or Gift Tax if the acquisition was made free of charge), excluding any interest that may have been paid by the acquirer.

Please note that if a property has been inherited, the Urban Land Value Increase Tax has been paid, and the property has subsequently been transferred, the heir will have included it as a higher acquisition value. Therefore, if a tax refund has been received, it must be removed from the purchase price by submitting a supplementary self-assessment.

- e. From the sum corresponding to the previous amounts , **the amount of the tax-deductible amortizations** will be subtracted, computing in all cases the minimum amortization , regardless of its effective consideration as an expense.

The minimum amortization is the result of the maximum amortization period or the corresponding fixed percentage, depending on each case.

For leased properties, the minimum depreciation amount is determined by applying 1.5 percent until December 31, 1998; 2% until December 31, 2002, and 3% from January 1, 2003.

In relation to the calculation of depreciation, it should be noted that:

- Amortization not applicable for assets are not susceptible to depreciation, such as land, securities, etc.
- "Tax-deductible" depreciation corresponds to real estate or personal property used for economic activities, to real estate or personal property leased or subleased, to real rights of use and enjoyment of real estate, to cases of provision of technical assistance that does not constitute an economic activity and to the leasing of businesses or mines or subleases. In these cases, the minimum amortization will be computed, regardless of its actual consideration as an expense.
- In the case of the transfer of assets related to economic activities, the book value is considered as the acquisition value, taking into account any depreciation that would have been tax deductible, **without prejudice to the minimum depreciation** referred to above.
- In the case of real estate that has been leased, depreciation will be considered to meet the effectiveness requirement when, in each year, it does not exceed the result of applying the percentage of 3% to the highest of the following values: acquisition cost paid or the cadastral value, excluding the value of the land. When the value of the land is not known, it will be calculated by prorating the acquisition cost paid between the cadastral values of the land and the construction for each year.

In the case of real estate acquired for profit, it must be taken into account that the acquisition cost paid includes the value of the property acquired in application of the rules on Inheritance or Gift Tax or its value verified in these taxes (not including the value of the land). Interpretive criteria established by the Supreme Court (Administrative Litigation Chamber) in its Judgment No. 1130/2021, of September 15, in the appeal for cassation number 5664/2019 (ROJ : STS 3483/2021).

The acquisition cost also includes the amount of taxes and expenses inherent to the acquisition and, where applicable, all investments and improvements made.

- If the taxpayer has not carried out any economic, business or professional activities, but has obtained income from real estate capital derived from the transfer of a property and has calculated the depreciation in accordance with the provisions of the Ministerial Order of March 27, 1998, upon transferring said property at a later time, *"It will not have to apply the maximum depreciation of 3% on the acquisition cost paid or the cadastral value and it will be able to apply, to determine the acquisition value of the property, a lower one that fits within the concept of minimum depreciation of article 35 of the Personal Income Tax Law,(...)"*. Criteria established by the Supreme Court in its Judgment of November 20, 2025, issued in appeal for cassation no. 7361/2023 (RED: STS 5416/2025).

B. Transmission value

The transmission value will consist of:

- a. The actual amount for which the transfer was made or the declared value or, where applicable, the value administratively verified for the purposes of the Inheritance and Gift Tax when the transfer was made for profit or free of charge, without this being able to

exceed the market value.

The actual amount of the sale value will be taken as the amount actually paid, provided that it is not less than the normal market value, in which case the latter will prevail.

- b. From the above amount, expenses and taxes inherent to the transfer, excluding interest, may be deducted to the extent that they have been paid by the transferor.

Precision: treatment of amounts delivered as a deposit in the event of the transfer of a property.

The deposit contract is a private document by which the buyer and seller agree to reserve the right to purchase the property, with the buyer paying an advance payment (deposit) equivalent to a percentage of the property's price. Its amount is therefore constituted as part of the purchase price of the property.

For the buyer:

- In the event of a sale, the payment of a deposit will not have any impact on personal income tax.
- In the event of withdrawal, a capital loss will be incurred and will be included in the general taxable base.
- In the event of non-compliance by the seller, the buyer may consider that a capital loss has occurred (with respect to the amount delivered and not recovered) when, once the right to credit has been recognized with respect to the amount delivered, any of the circumstances established in letter k) of article 14.2. occur, for which it is necessary that it be a judicial procedure aimed at the enforcement of the credit.

For the seller:

- If the sale takes place, the amount received as a deposit will affect your Personal Income Tax return for the tax period in which the sale of the property takes place, the transfer value of which will be determined in accordance with the provisions of Article 35 of the Law of IRPFABBR.
- If the transfer is not made due to a cause attributable to the buyer, the amounts received by the seller as a deposit will be classified as capital gains and will be allocated to the tax period in which the seller can proceed with its execution, in accordance with the terms of the contract.

This capital gain, since it does not derive from a transfer, will form part of general income, in accordance with the provisions of Article 45 of the Law on IRPFABBR, and its integration will be carried out in the general tax base, in the manner provided for in article 48 of the same Law.

Therefore, the signing of the deposit contract does not give rise to a variation in the value of the assets, as a result of a change in their composition for the purposes of their classification as capital gain or loss, but rather said capital gain or loss will occur when the transfer is made, if applicable.

C. Special assumption: Transfer of assets to which improvements have been made in a year other than that of acquisition

In the case of assets on which improvements have been made in a year other than that of acquisition, it will be necessary to distinguish the part of the transfer value that corresponds to the asset and to the improvement or improvements made, in order to determine, separately and independently, both the capital gains or losses derived from each, as well as the reduction that, where applicable, is applicable. For these purposes, the values and dates of acquisition will be taken as those that correspond, respectively, to the asset and to each of the improvements made.

Consequently, the capital gains or losses thus determined may have different periods of generation, and the reduction percentages that may be applied to the capital gains will also be different depending on the seniority of the assets themselves and each of the improvements

made as of December 31, 1996, taking into account that if improvements have been made to the transferred assets, the period of time that these improvements remain in the taxpayer's assets will be taken as the number of years between the date on which they were made and December 31, 1996, rounded up.

Summary diagrams

The components of the respective acquisition and transfer values, depending on whether the transfer is onerous or lucrative, are those indicated in the following tables:

a) Outline - summary: onerous transmission

Regulations: Article 35 of the Law IRPFABBR

- (+) Actual amount of the acquisition.
- (+) Investments and improvements made to acquired assets.
- (+) Expenses and taxes inherent to the acquisition (except interest), paid by the purchaser.
- (-) Depreciation (leased property or furniture and rights thereon, as well as in the cases of provision of technical assistance that does not constitute economic activity).

= Acquisition value

-
- (+) Actual amount of the transfer provided that it is not less than the market value, in which case, the latter prevails.

- (-) Expenses and taxes inherent to the transfer paid by the transferor.

= Transmission value

b) Outline - summary: lucrative streaming

Regulations: Article 36 of the Law IRPFABBR

- (+) Purchase value for the purposes of Inheritance and Gift Tax with the limit of the market value.
- (+) Investments and improvements made to acquired assets.
- (+) Expenses and taxes inherent to the acquisition (except interest), paid by the purchaser.
- (-) Depreciation (leased property or furniture and rights thereon, as well as in the cases of provision of technical assistance that does not constitute economic activity).

= Acquisition value

(+) Actual amount of the transfer (or Transfer value for the purposes of Inheritance and Gift Tax with the limit of the market value.

(-) Expenses and taxes inherent to the transfer paid by the transferor.

= Transmission value

Transitional regime applicable to capital gains derived from assets acquired prior to December 31, 1994 (reducing or abatement percentages)

Regulations: ninth transitional provision of the Law IRPFABBR

Once the capital gain obtained has been determined, applying the general rules discussed in the previous section or, where appropriate, any of the [special rules](#) examined in the following section, its amount may be subject to reduction by applying the corresponding reduction percentages or by lowering the transitional regime, provided that the value of all transfers made from 1 January 2015 with the right to apply the percentages does not exceed 400,000 euros.

1. Requirements for the application transitional system

The requirements that must be met for the application of the reduction or abatement percentages on the amount of capital gains are the following:

- a. **That the capital gains come from transfers, whether onerous or lucrative, of assets or rights or from the extinction of rights.**

Therefore, the reduction percentages are not applicable to profits that arise as a result of the incorporation of assets or rights into the taxpayer's assets that do not derive from a transfer, as is the case, for example, of prizes obtained in contests or winnings in gambling.

- b. **That the asset or right was acquired by the taxpayer before December 31, 1994 .**

- c. **That the asset or right is not affected by an economic activity .**

Notwithstanding the above, if the asset had been assigned to an economic activity, it must have been de-assigned more than three years prior to the date of transfer.

- d. **That the patrimonial element has not been awarded to the partner in the dissolution and liquidation of transparent companies** , in accordance with the provisions of the sixteenth transitional provision of the consolidated text of the LIS .

- e. **That the transferred asset does not originate from contributions made to the protected assets of persons with disabilities**, in accordance with the provisions of the Eighteenth Additional Provision of the Law of IRPFABBR.

- f. **That the transfer value of all assets** to whose capital gain this transitional regime would have been applied, transferred from January 1, 2015 until the date of transfer of the asset, **has not exceeded 400,000 euros.**

2. Calculation of the part of the capital gain generated before January 20, 2006

Once the above general requirements have been met, the reduction percentages will only be applicable to the part of the capital gain generated between the date of purchase of the item and January 19, 2006, inclusive, and may not be applied to the part of the capital gain generated from January 20, 2006 until the date of transfer.

The determination of the portion of the capital gain generated prior to and after January 20, 2006 is carried out in accordance with the following rules:

2.1 General rule: linear distribution of total capital gain

According to this general rule, **the capital gain generated before January 20, 2006** will be determined by the part of the gain that proportionally corresponds to the number of days elapsed between the date of acquisition of the asset and January 19, 2006, both inclusive, with respect to the total number of days that said asset would have remained in the taxpayer's assets.

In summary:

$$\text{Profit generated before 20/01/2006} = (\text{Total profit} \times \text{No. of days from acquisition to 19/01/2006}) \div \text{No. of days from acquisition to transfer}$$

For its part, **the capital gain generated from January 20, 2006** will be determined by the result of multiplying the total gain by the number of days elapsed from January 20, 2006 until the date of the transfer and dividing the resulting product by the number of days that the capital element has remained in the taxpayer's assets.

In summary:

$$\text{Profit generated from 20-01-2006} = (\text{Total profit} \times \text{No. of days from 20-01-2006 until transfer}) \div \text{No. of days from acquisition to transfer}$$

This amount can also be determined directly by the difference between the total profit and the profit generated before January 20, 2006.

2.2. Special rule: listed securities

In the case of securities admitted to trading on one of the official secondary securities markets defined in Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments and in shares or units in collective investment institutions, since there is an official listing, it is estimated that the value as of 19 January 2006 coincides with its valuation for the purposes of the Wealth Tax for the 2005 financial year.

Please note that Directive 2004/39/EC has been repealed with effect from 3 January 2017 by Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014, relating to financial instrument markets. This, in its article 94, provides that references to Directive 2004/39/EC will be understood to be made to Directive 2014/65/EU.

In short, in these cases, the determination of the capital gain generated before and after January 20, 2006 is carried out taking into consideration the following values:

- a. **Purchase value** of the securities, shares or participations (**VA**).
- b. **Value corresponding** to the aforementioned securities, shares or participations for the purposes of **Wealth Tax for the year 2005 (VP)**.

In the case of shares and interests in collective investment institutions, the valuation for the purposes of the Wealth Tax corresponding to the 2005 financial year is carried out based on their net asset value as of December 31, 2005.

For the rest of the shares and participations admitted to trading, the valuation for the purposes of the 2005 Wealth Tax is carried out based on the average trading value of said securities in the fourth quarter of 2005. This assessment is included in Order EHA /492/2006, of February 17 (BOE of February 27).

- c. **Transfer value of securities, shares or participations (VT)**.

Based on these values, the calculation of the generation of capital gains is carried out as indicated in the following diagram:

SITUATION 1		SITUATION 2
The Transfer Value is equal to or greater than the 2005 Equity Value		The Transfer Value is less than the 2005 Equity Value
(VT ≥ VP2005)		(VT < VP2005)
The Acquisition Value is less than the 2005 Equity Value	Reducible portion of capital gain:	The entire capital gain is reducible:
(VA < VP2005)	(+) Equity Value 2005	(+) Transmission Value
	(-) Acquisition Value	(-) Acquisition Value
	= Capital gain generated before 20-01-2006	= Capital gain generated before 20-01-2006

SITUATION 1 The Transfer Value is equal to or greater than the 2005 Equity Value (VT ≥ VP2005)		SITUATION 2 The Transfer Value is less than the 2005 Equity Value (VT < VP2005)
The Acquisition Value is greater than or equal to the 2005 Equity Value (VA ≥ VP2005)	Non-reducible portion of capital gain: (+) Transmission Value (-) Equity Value 2005 = Capital gain generated from 20-01-2006	
	No part of the capital gain is reducible: (+) Transmission Value (-) Acquisition Value = Capital gain generated from 20-01-2006	

3. Calculation of the applicable reduction in accordance with the ninth transitional provision of the Personal Income Tax Law

Once the portion of the capital gain generated prior to January 20, 2006 has been determined, its amount will be reduced, where appropriate, in accordance with the steps described below:

3.1. Period of permanence of the asset element in the taxpayer's assets prior to December 31, 1996.

The period of time that the asset remained in the taxpayer's assets prior to December 31, 1996 is calculated.

For these purposes, the period of permanence in the taxpayer's assets will be taken as the number of years, rounded up, between the date of acquisition (which must be before December 31, 1994) and December 31, 1996. According to this rule, one year and one day will constitute two years; Two years and one day will make three years, and so on.

In the case of subscription rights, the duration period will be taken as that corresponding to the securities from which they originate. Where not all subscription rights have been transferred, it shall be deemed that those transferred correspond to the securities acquired

first.

If improvements have been made to the transferred assets, the period of time that these remain in the taxpayer's assets will be taken as the number of years between the date on which they were made and December 31, 1996, rounded up.

3.2. Calculation of the value of all transfers made from January 1, 2015 for the limit of 400,000 euros

The transfer value of all assets to which this regime would have been applicable to their capital gains, transferred from 1 January 2015 until the date of transfer of the asset (not including the value of the latter), is calculated.

Once calculated, the following situations must be taken into account:

A. Transfer value exceeding 400,000 euros

If this value is greater than 400,000 euros, no reduction will be made in the profit derived from the transfer of the property, even if part of the capital gain was generated before 20 January 2006.

Keep in mind:

In order to determine whether or not the 400,000 euros are reached, the transfer values corresponding to, among others, capital gains arising from the transfer of the following assets not affected by economic activities will not be taken into consideration:

- a. The transfer values corresponding to acquisitions made after December 30, 1994, since the abatement coefficients are not applicable.*
- b. The transfer values corresponding to transfers that have given rise to a capital gain not subject to tax under the provisions of article 33 of the Personal Income Tax Law or that are exempt from it or in the case of partial exemption due to reinvestment, the transfer value that was subject to reinvestment will be excluded.*
- c. The transfer values corresponding to transfers of shares or interests listed on official markets acquired before December 31, 1994 when their acquisition value is higher than the value for the purposes of the 2005 Wealth Tax, given that in that case the abatement coefficients would not apply .*

B. Transfer value less than 400,000 euros

If the transfer value referred to in the previous section is less than 400,000 euros, said value and the transfer value of the asset will be added together, differentiating between the following situations based on the result:

- a. That the sum is less than 400,000 euros**

In this case, the part of the capital gain generated before January 20, 2006 will be reduced by the amount resulting from applying the percentages indicated in section 3.3 below, for each year that **remains in the taxpayer's assets from its acquisition until December 31, 1996** that exceeds two.

b. That the sum is greater than 400,000 euros

In this case, the reduction will be applied to the part of the capital gain generated before January 20, 2006 that proportionally corresponds to the part of the transfer value of the asset that, added to the amount of section 3.2 above, does not exceed 400,000 euros.

Important: if during the year transfers were made to which the ninth transitional provision of the Law applies IRPFABBR, the additional information requested in section F2 of the declaration must be completed (declaration ("Capital gains and losses derived from the transfer of assets to be included in the savings tax base") indicating the transfer value of all assets to whose capital gain this regime would have been applicable, transferred from January 1, 2015 until the date of transfer of the asset (excluding the value of the latter).

Summary table

Situations	Application of drawdown coefficients
$VT1 > 400,000$	No reduction will be made.
$(VT1 + VT2) < 400,000$	The corresponding reduction percentages will be applied to the total amount of the capital gain generated prior to January 20, 2006 corresponding to the asset being transferred.
$VT1 + VT2 > 400,000$ and, $VT1 < 400,000$	The corresponding reduction percentages will be applied to the amount of capital gain generated before January 20, 2006 that proportionally corresponds to the difference between 400,000 and $(VT1 + VT2)$.
Being: VT1: Accumulated transfer value corresponding to all assets to whose capital gain this regime would have been applied, transferred from 01-01-2015 until the date of transfer of the asset to whose gain the DT is to be applied 9 Law of IRPFABBR. VT2: Transfer value of the asset for which the gain is calculated.	

Note: The limit of 400,000 euros does not apply to the transfer value of each asset, but to the set of transfer values of all assets to which the reduction coefficients have been applied from 1 January 2015 until the time of the temporary imputation of the capital gain. That is, it is a joint limit for all assets, regardless of whether the transfer of each of them occurs at different times.

Clarifications:

- The limit of 400,000 euros is individual, so it is computed for each taxpayer by the part of the transfer value that corresponds to them of the elements transferred from 1 January 2015, depending on whether the element is owned privately or jointly.
- For the application of the reduction, the transfer value of all assets transferred from January 1, 2015 until the date of transfer of the asset to whose capital gain the taxpayer has applied the provisions of this provision will be calculated.
- The taxpayer may apply the ninth transitional provision to capital gains derived from transfers that he considers appropriate and in the order he deems appropriate. However, once the taxpayer decides to apply the ninth transitional provision on the capital gain derived from the transfer of an asset, he/she must apply it to the maximum possible amount taking into account the aforementioned limit of 400,000 euros, without, therefore, the possibility of applying it exclusively to the part of the transfer value of the asset that the taxpayer determines. That is, partial applications are not possible in each transmission considered individually.
- The application of the ninth transitional provision must be carried out independently for each of the transfers carried out during the year.

Therefore, in the event that different transfers of shares or interests that are considered homogeneous securities occur during the tax period, it must be determined whether the provisions of the aforementioned transitional provision could be applied to each of the transfers.

3.3. Application of the corresponding reduction or abatement coefficients

Once the amount of the reducible capital gain has been determined, the corresponding reduction or abatement coefficients are applied, depending on the nature of the capital asset from which the capital gain is derived, and the applicable reduction is determined.

To this end, it is necessary to distinguish between:

- **Shares admitted to trading** on any of the official secondary securities markets defined in Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments and representing equity participation in companies or entities, with the exception of shares representing the share capital of Real Estate and Mutual Fund Companies: **the applicable reduction is 25% for each year of permanence exceeding two from its acquisition until December 31, 1996**.

Directive 2004/39/EC has been repealed with effect from 3 January 2017 by Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments. This, in its article 94, provides that references to Directive 2004/39/EC will be understood as references to Directive 2014/65/EU.

- **Real estate, rights thereon or securities** of the entities included in article 338 of Law 6/2023, of March 17, on the Securities Markets and Investment Services (BOE of March 18), with the exception of shares or participations representing the share capital or assets of Real Estate Investment Companies or Funds: **The applicable reduction is 11.11 percent for each year of permanence exceeding two from the date of acquisition until December 31, 1996.**

Please note that, although the ninth transitional provision of the Law of IRPFABBR It refers to article 108 of Law 24/1988, of July 28, on the Securities Market, this provision is currently found in article 338 of Law 6/2023, of March 17, on the Securities Markets and Investment Services, so references to the aforementioned article 108 should be understood as referring to article 338 of Law 6/2023.

- **For the rest of the assets and rights** , the applicable reduction is **14.28 percent for each year of permanence that exceeds two from its acquisition until December 31, 1996** . This group of assets and rights includes, among others, shares or interests representing the share capital or assets of Investment, Real Estate and Investment Companies or Funds.

The following table shows the reduction percentages applicable to the reducible capital gain based on the nature of the asset that generates it and the period of time that the asset remains in the taxpayer's assets as of December 31, 1996.

Years until 31-12-1996	Date of acquisition	Nature of the transferred asset		
		Securities admitted to trading	Real estate	Other items
Up to 2	12-31-1994 to 12-31-1996	0.00 %	0.00 %	0.00 %
Until 3	12-31-1993 to 12-30-1994	25.00 %	11.11 %	14.28 %
Up to 4	12-31-1992 to 12-30-1993	50.00 %	22.22 %	28.56 %
Up to 5	12-31-1991 to 12-30-1992	75.00 %	33.33 %	42.84 %
Up to 6	12-31-1990 to 12-30-1991	100.00 %	44.44 %	57.12 %
Up to 7	12-31-1989 to 12-30-1990	100.00 %	55.55 %	71.40 %
Up to 8	12-31-1988 to 12-30-1989	100.00 %	66.66 %	85.68 %
Up to 9	12-31-1987 to 12-30-1988	100.00 %	77.77 %	100.00 %
Up to 10	12-31-1986 to 12-30-1987	100.00 %	88.88 %	100.00 %
Up to 11	12-31-1985 to 12-30-1986	100.00 %	100.00 %	100.00 %

Remember: *The related reduction percentages do not apply in any case to capital losses or to the part of the capital gain generated from January 20, 2006 until the date of the transfer.*

Accordingly, it is not subject to the IRPFABBR the portion of capital gains derived from assets or rights acquired before December 31, 1996 **with more than:**

- **5 years, in the case of shares admitted to trading** on official secondary markets. That is, those acquired before December 31, 1991.
- **10 years, if it involves real estate and rights thereto** . That is, those acquired before December 31, 1986.
- **8 years, for the rest of the assets and rights** . That is, those acquired before December 31, 1988.

Provided that the transfer value of all assets to which this regime would have been applied, transferred from 1 January 2015 until the date of transfer of the asset, does not exceed 400,000 euros.

Not derived from transfers of assets

Regulations: Art. 34.1.b) Law IRPFABBR

In other cases other than onerous or lucrative transfer, the amount of the capital gain or loss will be the **market value of the assets or proportional parts** , where applicable.

This category of capital gains should include the incorporation of assets or rights into the taxpayer's estate that do not derive from a previous transfer, such as, for example, the receipt of certain subsidies or aid for the acquisition or rehabilitation of the main residence, rental assistance, the €200 aid for people with low income and assets, the Youth Cultural Bonus, the Thermal Social Bonus, those derived from the use of forests by residents in public forests, compensatory interest arising from the delay in fulfilling an obligation, including the payment of wages, as well as prizes obtained by participating in games, contests, raffles or random combinations.

Note:

Aid of 200 euros to individuals with low income and assets

Although no such measure has been approved for the 2025 tax year, if the taxpayer had received in that tax period the aid of 200 euros established by article 74 of Royal Decree-Law 20/2022, of December 27, on measures in response to the economic and social consequences of the War in Ukraine and support for the reconstruction of the island of La Palma and other situations of vulnerability (BOE December 28), must include its

amount in their 2025 Personal Income Tax return, pursuant to article 14.2.c) of the Law of IRPFABBR, as it is considered a capital gain for its beneficiaries *derived from public aid*.

Youth cultural bonus:

Law 22/2021, of December 28, on the General State Budget for the year 2022 (BOE of December 29) created, with effect from January 1, 2022, the so-called "Youth Cultural Voucher", aimed at facilitating young people's access to culture.

This is aid for the acquisition of cultural products and services offered by entities that adhere to the program, the maximum amount of which is 400 euros per beneficiary, and whose temporal scope of application was extended, with indefinite validity, by the one hundred and fourth Additional Provision of Law 31/2022, of December 23, of the General State Budget for the year 2023 (BOE of December 24) being beneficiaries of the same those young people who have turned 18 during the year 2025 and meet the requirements demanded by Royal Decree 191/2023, of March 21, which establishes the regulations governing the Youth Cultural Voucher (BOE March 22).

The amount is granted once to each beneficiary and must be used within a maximum period of one year from the date of granting. The amount granted is paid in a single payment using virtual prepaid cards. After the aforementioned 1-year period has elapsed, the Youth Cultural Bonus is automatically deactivated, and the collaborating entity proceeds to refund the amounts not used.

For this reason, only the monetary amount of the aid that has actually been used to acquire cultural products and services gives rise to a capital gain for the individuals who have benefited from it, and it must be attributed to the respective tax period in which the eligible cultural products, services, and activities were acquired, since this is when the subsidy is deemed to have been collected.

Specific assumptions:

In the case of grants the amount of said gain will be the monetary amount of the grant.

In relation to the prizes, it is worth distinguishing:

- **Cash prizes.** These prizes are subject to withholding, so the amount computable as capital gain will consist of the entire prize without deducting the withholding incurred, which will be declared as such in the section of the declaration corresponding to withholdings and other payments on account.

Please note that, in the specific case of gaming accounts, the capital gain belongs exclusively to the account holder, who must declare the overall positive difference between the winnings obtained and the contributions made throughout the fiscal year in all accounts held by the account holder. You cannot compute losses or deduct any expenses.

- **Prizes in kind.** These prizes are subject to advance payment, so the total computable amount will be composed of the sum of the valuation of the prize received, which will be carried out at its market value, plus the advance payment, unless the latter has been passed on to the taxpayer.

In the case of legal costs two situations must be distinguished:

- a. Taxpayer obligated—by court ruling—to pay the legal defense costs incurred by the winning party in the process.

This is a capital loss, both for the compensation and for the legal interest resulting from the court ruling, which will be charged to the tax period in which the conviction became final, since it is during this tax period that the change in assets that gave rise to it took place. It is included in the general tax base in the manner and within the limits established in Article 48 of the law of IRPFABBR.

- b. Taxpayer who, as the winner of a legal proceeding, receives a certain amount for the condemnation of legal costs to the opposing party.

In this case, in order to determine the capital gain that the opposing party may incur from being ordered to pay legal costs, the winning litigant may deduct from the amount received in the form of costs the expenses incurred in connection with the lawsuit, a deductible amount that may reach a maximum of the amount received, without exceeding it.

Therefore, if the amount of the award of costs corresponds to the expenses incurred - which can be classified as costs - there will not have been a capital gain for the consultant with respect to the costs. See Resolution of the TEAC of June 1, 2020, Claim number 00/06582/2019, issued in an appeal for the unification of criteria.

In the case of late payment interest, the recent Supreme Court ruling no. 24/2023, of January 12, issued in the appeal for cassation no. 2059/2020 (ROJ : STS 121/2023), which expressly corrects the criterion established by said Court in a previous judgment of December 3, 2020 (appeal no. 7763/2019) on the same issue of cassation interest, establishes as doctrine: "The late payment interest paid by the Tax Agency when making a refund of undue payments is subject to, and not exempt from, IRPFABBR, constituting a capital gain that constitutes general income, in accordance with the provisions of Article 46.b) of the Personal Income Tax Law, interpreted in the opposite sense."

This criterion is also applicable to late payment interest paid by other Administrations, entities or subjects other than the Tax Agency and, in general, to compensatory interest received by taxpayers which, following the Supreme Court ruling, are classified as capital gains to be included in the general tax base because, as the Court states, they have not been made clear on the occasion of the transfer of assets.

The existence of two successive and opposing criteria of the Supreme Court on the same issue of cassation interest raises a problem directly related to the principle of protection of legitimate expectations, a principle of jurisprudential creation whose effectiveness depends on the specific circumstances of each case. In this regard, the actions of a taxpayer who, as a result of the Supreme Court ruling of December 3, 2020 (appeal no. 7763/2019), had filed their self-assessment for the IRPFABBR Without including the late payment interest paid by a Tax Administration as a result of a refund of undue payments, it would be protected by the principle of protection of legitimate expectations if, subsequently, after the publication of the Supreme Court judgment of January 12, 2023 (appeal no. 2059/2020) which considers said interest subject to tax, the Tax Administration sought to regularize its tax situation based on this latter judgment, since past situations cannot be regularized,

to the detriment of the taxpayer, in which the latter applied in his self-assessment the jurisprudential criterion established in the judgment of December 3, 2020, a criterion which, being the one in force at the time of presentation of his self-assessment, was the criterion that, according to the doctrine of this Central Court, bound the Tax Administration. See Resolutions of the TEAC dated May 29, 2023, appeals No. 00-02478-2022 and 00-08937-2022, which were filed in two extraordinary appeals for the unification of criteria.

Note: *It will not be included in the taxable base of IRPFABBR The return, in cash or through other compensation measures, of the amounts previously paid to financial entities as interest for the application of clauses limiting interest rates on loans (the so-called floor clause), together with their corresponding compensatory interest, derived both from agreements made with financial entities and from compliance with judgments or arbitration awards.*

In the case of bonuses received by those who participate in a promotional campaign and introduce new clients who purchase any of the marketed products, the amount is considered a capital gain, as it involves the incorporation of an asset into the taxpayer's assets, and will be included in the general taxable base.

Examples

Example 1: Determination of the amount of the gain derived from the onerous transfer of a property acquired prior to December 31, 1994

Mr. BPT On 10 October 1992 he acquired a villa for an amount equivalent to 100,000 euros, paying an amount equivalent to 7,000 euros in Property Transfer Tax. The remaining disbursements made by Mr. BPT The acquisition amounted to 1,000 euros for notary and registration fees.

In July 2012, he contracted the construction of a swimming pool, as well as the remodeling of the interior of the chalet. These works were carried out during the month of July and their costs amounted to 75,000 euros, including the IVAABBR.

On February 3, 2025, he sold the villa for 500,000 euros, of which 150,000 euros correspond to the improvement made in 2012, paying 15,000 euros in Municipal Tax on the Increase in Value of Urban Land. The chalet has never been rented.

Determine the amount of the capital gain or loss obtained in said transfer, taking into account that the taxpayer has not carried out since 2015 a transfer of assets to which the ninth transitional provision of the Law would apply. IRPFABBR

Solution:

Since improvements were made to the chalet in a year other than that of its acquisition, the part of the sale value that corresponds to each component, that is, to the chalet and the improvement, must be distinguished in order to apply the reduction coefficient corresponding to the capital gain derived from the transfer of the chalet.

The determination of the capital gain or loss obtained will be made by distinguishing between that which corresponds to the chalet and that which corresponds to the improvement.

1. Determination of the capital gain corresponding to the chalet (date of sale 03-02-2025).

a. Determination of the capital gain obtained:

Value of transmission $(500,000 - 150,000 - 15,000)$ (1) = 335,000

Value of acquisition $(100,000 + 7,000 + 1,000)$ (2) = 108,000

Capital gain $(335,000 - 108,000) = 227,000$

b. Determination of the capital gain generated before 20-01-2006:

Capital gain generated prior to 20-01-2006: $(227,000 \div 11,803 \text{ days}) \times 4,849 \text{ days}$ (3) = **93,257.90**

c. Calculation of reduction:

i. Capital gains susceptible to reduction (4)

Maximum transmission value limit: 400,000

Accumulated transfer value of other assets transferred with the right to reduction since 01-01-2015: 0

Transfer value of the asset to which DT9 Law applies IRPFABBR: 335,000

Capital gains susceptible to reduction: 93,257.90

ii. Applicable reduction

Number of years of permanence as of 31-12-1996: up to 5 years

Reduction due to abatement coefficients $(33.33\% \times 93,257.90) = 31,082.86$

iii. Reduced capital gain

Reduced capital gain $(93,257.90 - 31,082.86) = \mathbf{62,175.04}$

d. Determination of capital gain not susceptible to reduction (generated from 20-01-2006):

Capital gain generated after 20-01-2006: $(227,000 \div 11,803) \times 6,952$ (5) = **133,703.64**

2. Determination of the capital gain corresponding to the improvement:

Transfer value: 150,000

Acquisition value: 75,000

Capital gain $(150,000 - 75,000) = 75,000.00$

3. Capital gain that can be deducted $(62,175.04 + 133,703.64 + 75,000.00) = 270,878.68$

Notes to the example:

(1) From the portion of the transfer value corresponding to the chalet (350,000 euros), the amount paid for Municipal Tax on Increase in Value of Urban Land (15,000 euros) has been deducted. [\(Back\)](#)

(2) Please note that as of 1 January 2015, the discount coefficients that were applied to determine the discounted amounts of the acquisition value components are being eliminated. [\(Back\)](#)

(3) The capital gain generated between the date of acquisition of the chalet (10-10-1992) and January 19, 2006, both inclusive, is determined by proportionally distributing the total capital gain (227,000) among the number of days elapsed (11,803) between the date of acquisition of the chalet and the date of transfer of the same (03-02-2025), with respect to the total number of days (4,849) between the date of acquisition and 19-01-2006, both inclusive. [\(Back\)](#)

(4) Since the maximum applicable limit on the transfer value is 400,000 euros and, in this case, the transfer value of the villa is 335,000 euros and, in addition, it is the first transfer made by the taxpayer since January 1, 2015 to whose capital gain the transitional regime may apply, the corresponding reduction percentages will be applied to the entire amount (93,257.90 euros) of the capital gain generated prior to 20-01-2006. There remains a balance of 65,000 euros from the maximum limit $(400,000 - 335,000)$ which may be used in the next transfer to which the ninth transitional provision of the Law applies. IRPFABBR. [\(Back\)](#)

(5) The capital gain generated from January 20, 2006 until February 3, 2025, when the transfer of the chalet takes place, is determined by proportionally distributing the total capital gain (227,000) among the number of days elapsed (11,803) between the date of acquisition of the chalet and the date of its transfer (03-02-2025), with respect to the total number of days (6,952) between 20-01-2006 and the date of the transfer.

This last amount can also be determined by subtracting from the total capital gain obtained the part generated before 20-01-2006. That is, $(227,000.00 - 93,257.90 = 133,703.64)$ profit that cannot be reduced. [\(Back\)](#)

Example 2: Determination of the amount of gain derived from the onerous transfer of listed shares acquired prior to December 31, 1994

In addition to the villa mentioned in the previous example, Mr. BPT sold 300 shares of TASA Public Limited Company on the stock exchange on October 30, 2025, for an amount of 75,000 euros. These shares were acquired on 31 May 1991 for a total amount of 57,000 euros.

The value of these shares for the purposes of the Wealth Tax for the year 2005 amounted to 66,000 euros.

Determine the amount of capital gain or loss obtained in said operation.

Solution:

1. Determination of the total capital gain or loss :

Transfer value of shares: 75,000

Purchase value of shares: 57,000

Total capital gain: 18,000

2. Determination of the capital gain generated prior to 20-01-2006 :

Since the transfer value of the shares admitted to trading is higher than their valuation for the purposes of the Wealth Tax for the 2005 financial year, which amounts to 66,000 euros, the part of the capital gain deemed to have been generated prior to 20 January 2006, which is the only part to which the reduction coefficients are applicable, must be determined.

This determination is made as follows:

Value for the purposes of the 2005 Wealth Tax (transfer value): 66,000

Acquisition value: 57,000

Capital gain generated before 20-01-2006 (66,000 - 57,000) = 9,000

3. Calculation of reduction

a. Profit generated prior to 20-01-2006 susceptible to reduction

Maximum limit: 400,000.00

Σ Accumulated transfer value of assets with the right to reduction since 01-01-2015 = 335,000.00

Transmission value of the asset to which DT9 Law applies IRPFABBR (1) = 65,000

Capital gain susceptible to reduction (9,000 x 65,000) ÷ 75,000 = 7,800

b. Applicable reduction

Number of years of permanence as of 31-12-1996: up to 6 years

Reduction by abatement coefficients (100% x 7,800) = 7,800

c. Reduced capital gain

Reduced capital gain (9,000 – 7,800) = 1,200

4. Determination of non-reducible capital gain (generated from 20-01-2006):

Transfer value: 75,000.00

Value for the purposes of the 2005 Wealth Tax (acquisition value): 66,000

Non-reducible capital gain (75,000 - 66,000) = 9,000

5. Determination of computable capital gain: (1,200 + 9,000) (2) = 10,200

Notes to the example:

(1) Although the value of the transfer is 75,000.00 euros, as 335,000 euros of the 400,000 euro limit were already used in the previous transfer (the villa in example 1), only 65,000 euros remain to be used in the current transfer. Therefore, the portion of the profit generated before 20-01-2006 that corresponds proportionally to a transfer value of 65,000 euros is subject to reduction. In the next transfer that takes place, even if the asset was acquired by the taxpayer before December 31, 1994, the reductions of the ninth transitional provision of the Law cannot be applied. IRPFABBR. [\(Back\)](#)

(2) This last amount can also be determined directly by the difference between the total capital gain obtained and the reduction applied. That is to say: $(18,000 - 7,800 = 10,200)$. [\(Back\)](#)

Example 3: Determination of the amount of gain not derived from the transfer of assets

In May 2025, Mr. PAG He won a prize in a television competition consisting of an apartment on the beach, the acquisition cost of which for the entity granting the prize, which coincides with its market value, amounted to 60,000 euros. The expenses inherent to the acquisition paid by Mr. PAG were 5,700 euros.

Determine the amount of the computable capital gain.

Solution:

Valuation (market value) = 60,000

Income to account = 13,680 [\(1\)](#)

Capital gain $(60,000 + 13,680) = 73,680$

Notes to the example:

(1) The advance payment made by the awarding entity has been determined by taking as its basis the acquisition cost increased by 20 percent and applying to it the percentage of 19 percent (in force in 2025). That is to say: $19\% \times (60,000 \times 1.2) = 13,680$ euros. The taxpayer may deduct this last amount in his/her tax return together with the remaining withholdings and payments made on account. [\(Back\)](#)

Determining the amount of capital gains or losses: specific valuation standards

In addition to the general rules set out here, **the Law provides for certain specific valuation rules** for determining the acquisition or transfer values or both, in relation to capital gains and losses derived from the following assets or rights:

1. Onerous transfers of securities admitted to trading on any of the regulated securities markets of the European Union

Regulations: Art. 37.1.a) Law IRPFABBR

In general: onerous transfers of listed securities

Where the change in the value of the assets arises from the transfer for consideration of securities admitted to trading on one of the regulated securities markets as defined in Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments, which are representative of participation in the equity of companies or entities, the capital gain or loss shall be computed as the difference between the acquisition value and the transfer value, taking into account the following specific rules:

Please note that Directive 2004/39/EC has been repealed with effect from 3 January 2017 by Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on instrument markets. financial. This, in its article 94, provides that references to Directive 2004/39/EC will be understood as references to Directive 2014/65/EU.

Transmission value

The transfer value will be determined by the price in said markets on the date of the transfer or by the agreed price when it is higher than the price.

Cost price

The following particularities must be taken into account when determining the acquisition value:

a. Acquisition value of partially paid-up shares.

In the case of partially paid-up shares, the acquisition value of the same will be the amount actually paid by the taxpayer.

b. Acquisition value of fully paid shares.

In the case of fully paid-up shares, the acquisition value, both of these and of those that come after, will be the result of dividing the total cost between the number of shares, both the old ones and the corresponding paid-up ones. The seniority of these shares will be considered to be that which corresponds to the shares from which they originate.

c. Acquisition value in the case of transfers of subscription rights made before January 1, 2017

Regulations: Transitional provision twenty-ninth Law IRPFABBR.

To determine the acquisition value of the securities, the amount obtained from the transfers of subscription rights made prior to January 1, 2017 will be deducted, with the exception of the amount of such rights that would have been taxed as capital gains. Where not all subscription rights have been transferred, it shall be deemed that those transferred correspond to the securities acquired first.

Identification of the transmitted titles

Regulations: art. 37.2 Law IRPFABBR.

In order to be able to individualize the securities sold when not all of those owned have been transferred, the Law establishes a special criterion, according to which when there are homogeneous securities and not all of them are sold, it is understood that those transferred by the taxpayer are those that were acquired first (FIFO criterion).

Example: sale of fully or partially paid-up shares

Mr. CLS On 5 March 2001, it acquired 900 shares in the publicly traded company YY for 10 euros per share.

On May 11, 2007, YY company distributed dividends through the delivery of fully paid-up shares. Mr. CLS receives 600 shares.

On September 14, 2011, another 500 partially paid-up shares were delivered for which he paid 2,500 euros (5 euros per share).

On October 15, 2025, Mr. CLS sells 1,600 shares for 16,000 euros (10 euros per share).

Solution:

1. Purchase value of fully paid shares .

The fully paid-up shares received on 11 May 2007 are added to the shares acquired on 5 March 2001 ($900 + 600 = 1,500$ shares) and the total cost (9,000 euros + 0 euros for the paid-up shares = 9,000 euros) is distributed among the number of shares (1,500), determining an acquisition value of 6 euros per share ($9,000/1,500$), with the acquisition date of the fully paid-up shares received being considered as the date corresponding to the shares from which they originate (5 March 2001).

Information	Shares acquired on 05-03-2001	Free shares	Total
Number of actions	900	600	1,500
Acquisition cost	9.000	0	9.000
Purchase value/share ($€9,000 \div 1,500$ shares)			6

2. Purchase value of partially paid-up shares .

The acquisition value of the same will be the amount actually paid by the taxpayer. In this case 2,500 euros ($2,500 \text{ euros} \div 500 \text{ shares} = 5 \text{ euros/per share}$).

3. Determination of the total capital gain or loss :

Information	Acquired on 05-03-2001	Acquired on 09-14-2011
Number of shares sold (1,600)	1,500 cc.(*)	100 ccs.(*)

Information	Acquired on 05-03-2001	Acquired on 09-14-2011
Transfer value (10 euros per share)	15,000	1,000
Cost price	9,000	500
Capital gains	6,000	500

(*) Of the transfer of the 1,600 shares, 1,500 correspond to those acquired on 03-05-2001 (which include the 600 fully paid-up shares) and 100 to those acquired partially paid-up on 09-14-2011. [\(Back\)](#)

Transfer of subscription rights

Important: *As of January 1, 2017, the tax treatment arising from the transfer of subscription rights will be equal, whether the rights are derived from securities admitted to trading or not admitted to trading. In both cases, the transfer of subscription rights will be taxed as capital gains in the year in which it occurs.*

Preferential subscription rights are rights that grant the shareholder preference over third parties to subscribe to new shares or interests, in proportion to the nominal value of the shares or interests they own at the time the company increases its share capital or issues convertible bonds.

As of January 1, 2017, the amount obtained from the transfer of subscription rights derived from securities admitted to trading that correspond to the taxpayer due to his status as a partner or participant in the capital of the entity is considered capital gain for the transferor in the tax period in which said transfer occurs.

In the transfer of these subscription rights, you will be obliged to withhold or deposit on account for the IRPFABBR, the depository entity and, failing that, the financial intermediary or the public notary who intervened in the transfer. The withholding tax to be applied on capital gains derived from the transfer of subscription rights is 19% of the amount obtained in the transaction or, in the event that the party obliged to apply it is the depository entity, on the amount received by it for delivery to the taxpayer.

Transitory rules: *Until December 31, 2016, the amount obtained from the transfer of subscription rights was not considered a capital gain for the transferor but rather reduced the acquisition value of the shares from which it came for the purposes of future transfers. As a result of this modification, a transitional regime was established that allows taxpayers to determine the acquisition value of securities admitted to trading by deducting the amount obtained from the transfers of subscription rights made up to December 31, 2016, with the exception of the amount of such rights that would have been taxed as capital gains.*

Transfer of shares or participations acquired before December 31, 1994

In this case, if a capital gain is obtained, the part of the capital gain generated before January 20, 2006 (the only one to which the reduction or abatement coefficients are applicable) must be distinguished from that generated after said date, to which the reduction or abatement coefficients are not applicable.

The determination of the capital gain generated prior to January 20, 2006 will be carried out in accordance with the [special rule for these values](#) discussed in this same Chapter and applying, where appropriate, of the [reduction coefficients](#) that correspond in accordance with the provisions of the ninth transitional provision of the Law of IRPFABBR.

In the case of subscription rights, the duration period will be taken as that corresponding to the securities from which they originate. Where not all subscription rights have been transferred, it shall be deemed that those transferred correspond to the securities acquired first.

Special case: acquisition or transfer by the borrower of securities homogeneous to those borrowed

In accordance with the Eighteenth Additional Provision of Law 62/2003, of December 30, on fiscal, administrative and social order measures (BOE of December 31), the following special tax regime is applicable to the acquisitions or transfers made by the borrower of securities similar to those borrowed during the term of the loan:

- **Transfers of homogeneous securities** to those borrowed that are carried out during the term of the same will be considered to **affect first the borrowed securities** , and will only be considered to affect the portfolio of homogeneous securities pre-existing in the taxpayer's assets, to the extent that the number of those transferred exceeds those borrowed.
- **Acquisitions** made during the term of the loan **will be charged to the portfolio of borrowed securities** , unless they exceed those necessary for the complete repayment of the loan.
- **The income derived from the transfer** of the securities borrowed **will be imputed to the tax period in which the subsequent acquisition of other homogeneous securities takes place, and will be calculated by the difference between the transfer value and the acquisition value corresponding to those acquired** during the duration of the loan and after the transfer.
- **When the borrower borrows new homogeneous securities to meet the repayment of the securities, the price of the new homogeneous securities on the date of obtaining the new loan will be taken as the acquisition value.**
- **If the repayment is made by the borrower through the delivery of homogeneous securities pre-existing in his/her assets** , the acquisition value will be taken as the price of the securities on the date of cancellation of the loan. This value will be taken as the transfer value to calculate the income derived from the return made with pre-existing homogeneous securities.

Please note that, although the Eighteenth Additional Provision of Law 62/2003 has been repealed with regard to Corporation Tax, with effect from 1 January 2015, by Law 27/2014, of 27 November (BOE of November 28), remains in force for IRPFABBR.

Example:

On May 3, 2025, Ms. ERL sold on the Stock Exchange 400 shares of the Public Limited Company "TASA", with a nominal value of 6 euros, at 300% according to the price of the same on that date. The shares sold are part of a package of 550, which were acquired by

Mrs. ERL According to the following detail:

No. of shares	Date of acquisition	Purchase price	Price/share
250	02-02-1990	3,250 euros	13 euros
210	06-05-1995	3,570 euros	17 euros
90	13-01-1998	540 euros	6 euros

Determine the amount of the capital gain or loss obtained in said transaction, knowing that the valuation of the shares for the purposes of the Wealth Tax corresponding to the 2005 financial year amounted to 15 euros per share and taking into account that the taxpayer has not carried out since January 1, 2015, a transfer of assets to which the ninth transitional provision of the Law would apply. IRPFABBR

Solution :

In order to determine the capital gain or loss resulting from the transfer of the 400 shares, it is first necessary to identify those sold within the total number of those owned. To do this, the legal criterion must be applied that the shares sold are those that were acquired first (FIFO criterion), so that the 400 shares sold correspond to the 250 acquired on 02-02-1990, and 150 of those acquired on 06-05-1995.

Once the shares sold have been identified, within the total number of those owned, the total capital gain or loss must be calculated separately for the 250 shares acquired on 02-02-1990 and for the 150 acquired on 06-05-1995, according to the following detail:

1. Determination of the total capital gain or loss :

Information	Acquired on 02-02-1990	Acquired on 05-06-1995
Number of shares sold (400)	250	150
Transmission value (300 euros per 100)	4.500	2,700
Cost price	3.250	2.550
Capital gains	1,250 (1)	150 (2)

2. Determination of the capital gain generated prior to 20-01-2006 :

Value for the purposes of I. Assets 2005 (transfer value): 3.750

Acquisition value: 3.250

Capital gain generated before 20-01-2006 (3,750 - 3,250) = 500

3. Calculation of reduction

- a. Profit generated with prior to 20-01-2006 susceptible to reduction [\(3\)](#)

Maximum limit: 400,000

Σ Transfer value of assets with the right to reduction from 01-01-2015: 0

Transfer value of the asset to which DT9 Law applies IRPFABBR: 4.500

Capital gains susceptible to reduction: 500

- b. Applicable reduction

Number of years of permanence as of 31-12-1996: up to 7 years

Reduction by abatement coefficients (100%): 500

- c. Reduced capital gain

Computable capital gain: 0

4. Determination of non-reducible capital gain: (generated from 20-01-2006):

Transfer value: 4.500

Value for the purposes of I. Assets 2005 (acquisition value): 3.750

Non-reducible capital gain (4,500 - 3,750) = 750

5. Determination of the computable capital gain :

The computable capital gain amounts to: (750+ 150) = 900

Notes on the example

(1) Since the transfer value of the shares (4,500 euros) is higher than their valuation for the purposes of the Wealth Tax for the 2005 financial year ($250 \times 15 = 3,750$), the part of the capital gain generated prior to 20-01-2006, which is the only part that is reducible, must be determined. [\(Back\)](#)

(2) Since the shares were acquired after 31-12-1994, no reduction coefficients are applicable to the capital gain obtained. [\(Back\)](#)

(3) Since the maximum applicable limit on the transfer value is 400,000 euros and, in this case, the transfer value of the shares entitled to the application of reduction coefficients is 4,500 euros, and since 1 January 2015 no other transfer entitled to the application of the ninth transitional provision of the Law has taken place IRPFABBRThe reduction coefficients will be applied to the entire amount of the capital gain generated prior to 20-01-2006. [\(Back\)](#)

Special case: Payment of dividends through the delivery of fully paid-up shares

It is common practice for listed companies to replace the payment of a cash dividend to their shareholders with a capital increase by issuing new fully paid-up shares from reserves from undistributed profits, granting their shareholders the corresponding free allocation rights for the subscription of the same.

In these cases, the shareholders, holders of the free allocation rights, can subscribe to the new shares or transfer these rights on the market. In the event that neither of these two possibilities is chosen, the company agrees to pay the shareholders a certain monetary compensation for each allocation right.

The tax treatment applicable to individual partners who are taxpayers of IRPFABBR It will be the one summarized in the following table:

Shareholder options in the " scrip dividend(flexible dividend)	Taxation	
	As of 01-01-2017	Until 31-12-2016
Sale of free allocation rights on the secondary market.	Capital gain in the year in which the transfer occurs, subject to withholding.	The amount obtained reduced the acquisition value of the shares when they were transferred. If the amount obtained was greater than the acquisition value of the shares, the excess was considered capital gain.
Delivery of fully paid-up shares to shareholders.	It does not constitute income (*)	It does not constitute income (*)
Compensation for assignment rights not exercised or transferred.	Dividend: Income from movable capital subject to withholding.	Dividend: Income from movable capital subject to withholding.

(*) The acquisition value, both of the bonus shares and of the shares from which they originate, will result from dividing the total cost by the number of shares.

Example

Mr. MPZ On March 3, 2007, he acquired 200 shares of the RR company on the stock exchange for an amount of 2,000 euros (10 euros per share) according to the share price on that date.

On January 5, 2011, the RR company announced that, in order to improve its dividend payment policy, it had agreed to increase its share capital by issuing new fully paid-up shares charged to reserves from undistributed profits, granting its shareholders the corresponding free allocation rights.

Regarding those holders of free allocation rights who do not subscribe to new shares or transfer them, the RR company agreed to pay 1.50 euros gross for each of them.

Mr. MPZ On 15 January 2011, he sold all the free allocation rights that corresponded to him for 300 euros.

On May 5, 2025, the RR company carries out a new expansion and Don MPZ sells all his rights obtaining 400 euros.

On August 7th Don MPZ sells all shares for 2,200 euros.

Solution:

1. Sale of subscription rights 5-05-2025

Capital gains from transfers of subscription rights = 400

2. Sale of shares of the company RR on 07-08-2025

a. Determination of the acquisition value of shares for the transfer of free allocation rights carried out prior to January 1, 2017.

Note: in accordance with the provisions of Article 306.2 of the Consolidated Text of the Capital Companies Act, approved by Royal Legislative Decree 1/2010, of July 2 (BOE of July 3), the transferability rules provided for in said provision for preferential subscription rights will apply to the free allocation rights of the new shares in cases of capital increase charged to reserves.

Consequently, following the tax regime established for preferential subscription rights, and in accordance with the provisions of the twenty-ninth transitional provision of the Law of IRPFABBR, the amount obtained from the sale of free allocation rights made on January 15, 2011 (300 euros) is deducted from the value for which the shares were acquired on March 3, 2007 (2,000 euros).

Acquisition value = 2,000

Subscription rights value = 300

New acquisition value $(2,000 - 300) = 1,700$

Purchase value/share $(1,700 \div 200) = 8.50$

b. Determination of capital gain or loss

Transmission value = 2,200

Acquisition value = 1,700

Capital gain $(2,200 - 1,700) = 500$

c. Capital gains from traded share transfers = 500

2. Onerous transfers of securities not admitted to trading on any of the regulated securities markets of the European Union

Regulations: Art. 37.1 b) Law IRPFABBR.

In general: transfer of unlisted securities

Specific valuation standard

When the alteration in the value of assets results from the transfer for consideration of securities not admitted to trading in any of the regulated securities markets defined in Directive 2014/65/EU of the European Parliament and of the Council, of May 15, 2014, relating to financial instrument markets (OJEU of June 12), which are representative of the participation in the equity of companies or entities, the capital gain or loss will be computed by the difference between its acquisition value and the transmission value.

Please note that Article 37.1.b) of the Law of IRPFABBR refers to the values defined in Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments, but that Directive has been repealed with effect from 3 January 2017 by Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments. This, in its article 94, provides that references to Directive 2004/39/EC will be understood to be made to Directive 2014/65/ EU .

Precision: The fact that the shares are in a company that has ceased to be listed on an official secondary market or that there are difficulties in selling them does not automatically entail a capital loss for the partners, but rather the dissolution and liquidation of the company is necessary. In accordance with the above, where applicable, a capital loss may be computed under the terms established in article 37.1. e) of the Law of IRPFABBR.

• Transmission value

The transfer value shall be considered, unless there is proof that the amount actually paid corresponds to what independent parties would have agreed upon under normal market conditions, to be the highest of the following two:

- a. **The net worth corresponding to the transferred values resulting from the balance sheet** corresponding to the last financial year closed prior to the accrual date of IRPFABBR.
- b. **The one that results from capitalizing at a rate of 20 percent** the average of the results of the three fiscal years closed prior to the accrual date of IRPFABBR. For this purpose, dividends distributed and allocations to reserves, excluding those for adjustment or updating of balance sheets, will be recorded as profits.

The transfer value thus calculated will be taken into account to determine the acquisition value of the securities or shares that corresponds to the purchaser.

This rule does not apply when, the investee company having been incorporated in the first or second fiscal year closed prior to the accrual date of IRPFABBRAs of this latter date, the results of "the three fiscal years closed prior to the date of accrual of the IRPF" are not available.

On the contrary, this rule does apply when the investee company had been inactive, not obtaining a loss or profit in one or more of the three fiscal years closed prior to the accrual date of IRPFABBR, the result of the exercise or exercises in which it was inactive should be taken as null, and then averaged by three. Resolution of the Economic-Administrative Court (TEAC) of April 26, 2022, Claim number 00/7287/2021, issued in an extraordinary appeal for the unification of criteria.

• Acquisition value

The following particularities must be taken into account when determining the acquisition value:

- a. **Acquisition value in case of transfer of subscription rights .**

To determine the acquisition value of the shares transferred, only the amount of the subscription rights transferred before March 23, 1989, the date of entry into force of Royal Decree-Law 1/1989, of March 22 (BOE of March 23) will be deducted.

The alienation of preferential subscription rights derived from this class of shares **determines that the amount obtained is in any case considered a capital gain** for the transferor in the tax period in which said transfer occurs, without being able to compute, in these cases, an acquisition value of said rights and for which the period between the moment of acquisition of the value from which the right comes and the moment of the transfer of the latter will be taken as the permanence period.

b. Acquisition value of partially paid-up shares .

In the case of partially paid-up shares, the acquisition value of the same will be the amount actually paid by the taxpayer.

c. Purchase value of fully paid shares .

In the case of fully paid-up shares, the acquisition value, both of these and of those that come after, will be the result of dividing the total cost between the number of shares, both the old ones and the corresponding paid-up ones. The latter will have, for the purposes of the permanence period, the same seniority as the shares of origin.

• Identification of the transmitted titles

In order to individualize the securities sold, especially when not all of those owned have been transferred, the Law establishes a special criterion, according to which **when there are homogeneous securities and not all of them are sold, it is understood that those transferred by the taxpayer are those that** acquired first (FIFO criterion).

Example: Onerous transfers of unlisted securities

Example

Mrs. GCA On 03-01-1991, it subscribed to 1,500 shares in SA "Beta", which is not listed on the Stock Exchange, for an amount equivalent to 9,000 euros. On 21-12-2000 he acquired 2,000 shares of the same company, paying 25,000 euros for this purpose.

On 05-11-2025, it sells 3,000 shares for 66,000 euros. The share capital of SA "Beta" consists of 12,000 shares, with the results obtained by the aforementioned entity in the last three fiscal years ending before 31-12-2025 being 80,000, 60,000 and 40,000 euros, respectively.

The value of the net worth corresponding to the transferred values resulting from the balance sheet corresponding to the 2024 financial year closed in July 2025 is 21 euros/share.

To determine the capital gain or loss obtained in the event that the taxpayer does not have sufficient proof that the amount of the transfer corresponds to what independent parties would have agreed upon under normal market conditions and taking into account that no

transfer of assets has been made since January 1, 2015, to whose gain the ninth transitional provision of the Law would apply. IRPFABBR

Solution :

To determine the capital gain or loss obtained, it is necessary, first of all, to identify the shares sold within the total number of those owned. To do this, the legal criterion must be applied that the shares sold are those that were acquired first (FIFO criterion). That is to say, the 3,000 shares sold correspond to the 1,500 subscribed on 01-03-1991 and to 1,500 of those acquired on 12-21-2000.

1. Determination of the total capital gain or loss :

Information	Acquired on 03-01-1991	Acquired on 21-12-2000
Number of shares sold (3,000)	1,500	1,500
Transmission value (1,500 x 25)	37,500	37,500
Cost price	9.000	18.750
Capital gains	28,500	18.750

2. Determination of the capital gain generated prior to 20-01-2006 :

Since part of the shares were acquired prior to 31-12-1994, the part of the capital gain generated prior to 20-01-2006 must be determined in order to apply the appropriate reduction or abatement coefficients.

Profit generated until 20-01-2006: $(28,500 \div 12,725 \text{ days}) \times 5,496 \text{ days}$ (2) = 12,309.31

3. Calculation of reduction

- a. Profit generated prior to 20-01-2006 susceptible to reduction (3)

Maximum limit: 400,000.00

Σ Transfer value of assets with the right to reduction from 01-01-2015: 0

Transfer value of the asset to which DT9 Law applies IRPFABBR = 37,500

Capital gain eligible for reduction = 12,309.31

- b. Applicable reduction

Number of years of stay until 31-12-1996: 6 years

Reduction due to abatement coefficients (57.12% of 12,309.31) = 7,301.07

- c. Reduced capital gain

Reduced capital gain $(12,309.31 - 7,301.07) = 5,008.23$

5. Determination of non-reducible capital gain (generated from 20-01-2006):

Profit generated as of 20-01-2006: $(28,500 \div 12,725 \text{ days}) \times 7,229 \text{ days}$ [\(4\)](#) = 16,190.69

6. Determination of the computable capital gain :

$5,008.23 + 16,190.69 + 18,750 = \mathbf{39,948.92}$

Notes on the example

(1) Since the taxpayer does not have proof that the amount of the transfer corresponds to the market value, that is, to what independent parties would have agreed upon under normal market conditions, the transfer value may not be less than the highest of the following:

- a. Agreed value in the transmission: 22 euros/share.
- b. The value of the net worth corresponding to the values transferred according to the balance sheet of the last fiscal year: 21 euros/share.
- c. At 20% of the average of the results of the last three closed fiscal years:
 $(80,000 + 60,000 + 40,000) \div 3 = 60,000$

$(60,000 \times 100) \div 20 = 300,000$

$300,000 \div 12,000 = 25 \text{ euros/share}$ [\(Back\)](#)

(2) The capital gain generated between the date of subscription of the shares (03-01-1991) and January 19, 2006, both inclusive, is determined by proportionally distributing the capital gain corresponding to said shares (28,500) among the number of days elapsed between the subscription date and the date of transfer of the same, which was 05-11-2025 (12,725 days), with respect to the total number of days between the subscription date of the shares and 19-01-2006, both inclusive (5,496). [\(Back\)](#)

(3) Since the maximum applicable limit on the transfer value is 400,000 euros and, in this case, the transfer value of the shares entitled to the application of reduction coefficients is 37,500 euros, and no other transfer entitled to the application of the ninth transitional provision of the Law has occurred in the 2025 financial year (or in the two previous years) IRPFABBRThe reduction coefficients will be applied to the entire amount of the capital gain generated prior to 20-01-2006. [\(Back\)](#)

(4) The capital gain generated from 20-01-2006 onwards is determined by proportionally distributing the capital gain corresponding to said shares (28,500) among the number of days elapsed between the subscription date and the date of transfer of the same (12,725 days), with respect to the total number of days between 20-01-2006 and the date of transfer of the same (05-11-2025), which amounts to 7,229 days. [\(Back\)](#)

Transfer of shares or participations acquired before December 31, 1994

In this case, if a capital gain is obtained, the part of the capital gain generated before January 20, 2006 (the only one to which the reduction or abatement coefficients are applicable) must be distinguished from that generated after said date, to which the reduction or abatement coefficients are not applicable.

The determination of the capital gain generated prior to January 20, 2006 and the application, where applicable, of the [reduction coefficients](#) will be carried out in accordance with the general rule discussed in this same Chapter.

Specialties in the taxation of personal income tax paying partners of civil companies that have become corporate tax payers

Regulations: Thirty-second transitional provision.3 and 4 LIS

In the transmission by taxpayers of IRPFABBR Regarding their participation in civil partnerships that, as of January 1, 2016, are subject to Corporation Tax, a distinction must be made between:

A. Civil partnerships that kept accounts in accordance with the Commercial Code in the 2014 and 2015 financial years, as provided for in Article 68 of the Regulations of IRPFABBR

The difference between the acquisition or ownership value of the shares and their transfer value will be computed as capital gain or loss. To this end:

Acquisition value (AV): It is the price or amount paid for its acquisition.

Ownership Value (Reserves) (VT): It is the result of making, where appropriate, two adjustments to the acquisition value:

- Addition of the share corresponding to the partner of the amount of the social benefits, which, without effective distribution, would have been obtained by the company during the tax periods in which the income attribution regime was applied in the period of time between its acquisition and disposal **(VT1)**.
- Subtraction of the profits distributed to the partner, which were obtained by the company during the tax periods in which the income attribution regime was applied in the period of time prior to the acquisition by the partner of his participation in the company **(VT2)**.

In short:

$$VT=VA + VT1 - VT2$$

B. Civil companies that have not kept accounting in accordance with the Commercial Code

Since no accounting has been kept, no amount can be attributed to the accounting reserves or to the equity items on the balance sheet, and consequently there are no contributions from partners or recorded profits.

Consequently, a special rule equivalent to the previous one is established for these civil companies for the calculation of the acquisition value of the shares, taking into account the absence of accounting and without there being in this case adjustments to the acquisition value derived from the cost of ownership, which consists of understanding that as of January

1, 2016, for tax purposes, all of their equity is made up of contributions from the partners, with the limit of the difference between the value of tangible fixed assets and real estate investments, reflected in the corresponding registration books, and the liabilities payable, unless the existence of other assets is proven.

Therefore, the acquisition value of the shares as of January 1, 2016 will be determined by the difference between the value of tangible fixed assets and real estate investments, reflected in the corresponding record books, and the liabilities payable, unless the existence of other assets is proven.

Example

Civil company X with legal personality and commercial purpose, which has kept accounts in accordance with the Commercial Code in 2014 and 2015, was established in 2007, with the partners paying taxes from that moment on under the income attribution regime and starting to pay taxes on corporation tax as of January 1, 2016.

The RC partner On 1 June 2015, he acquired a 30% stake in the civil company from another partner, for which he paid 30,000 euros.

On March 2, 2025, the partner transferred his stake for 45,000 euros.

Calculate the ownership value (TV) of the transferred share, taking into account that on the date of the transfer, the civil partnership had recorded reserves of 20,000 euros, of which 16,666.66 corresponded to profits generated from June 1, 2015 onwards and for which the partnership had paid tax under the income attribution regime, and that on February 2, 2025, partner RC reserves amounting to 4,200 euros were distributed to it, of which 4,000 euros corresponded to profits obtained by the company prior to 1 June 2015 and for which the company had paid taxes under the income attribution regime.

Solution:

1. Transmission value : 45,000

2. Ownership value

Acquisition value of the shares (VA) = 30,000

Amount of undistributed profits at the date of the transfer, generated by the company between the acquisition and the transfer (VT1) $(1) (0.30 \times 16,666.66) = 5,000$

Amount of profits distributed to the partner, generated by the company prior to the acquisition (VT2) $(2) = 4,000$

Ownership value (Reserves) VT = VA + VT1 – VT2

VT = (VA) 30,000 + (VT1) 5,000 – (VT2) 4,000 = **31,000**

3. Capital gain = Transfer value – Ownership value (VT) = 14,000

Capital gain = 45,000 – 31,000 = 14,000

Notes to the example:

- (1) The RC partner has already paid taxes on the reserves generated from the date of acquisition of its share and which were attributed to it by application of the income attribution regime, so the acquisition value of its share must be corrected by that amount to avoid double taxation. Since the total amount of said reserves is 16,666.66 and the partner has a 30% stake in the company, the acquisition value must be corrected by 5,000 ($0.30 \times 16,667$). [\(Back\)](#)
- (2) Partner RC has not paid tax on the distribution of profits made on February 2, 2025, as its distribution was exempt, and has also not paid tax on said profits due to the application of the income attribution regime, as the profits were obtained by the company prior to RC's acquisition of his stake. Consequently, the acquisition value must be reduced by said amount to avoid the avoidance of taxation on said income. [\(Back\)](#)

3. Transmissions or redemptions of shares or participations in collective investment institutions regulated by Law 35/2003

Regulations: Articles 37.1.c); 94 and thirty-sixth transitional provision of the Law IRPFABBR and 52 and Fourth Additional Provision of the Regulations IRPFABBR

General scheme

Specific valuation standard

In the transfer or reimbursement for consideration of shares or interests representing the capital or assets of collective investment institutions regulated by Law 35/2003, of November 4 (BOE of November 5), the capital gain or loss will be computed by the difference between its acquisition value and the transfer value.

A. Transmission value

The transfer value will be determined by the applicable net asset value on the date on which said transfer or redemption occurs or, failing that, by the last published net asset value.

When there is no liquidation value, the value of the net assets corresponding to the shares or interests transferred will be taken from the balance sheet corresponding to the last fiscal year closed prior to the tax accrual date.

In cases other than the redemption of shares, the transfer value thus calculated may not be less than the highest of the following two:

- a. **The price actually agreed upon in the transmission .**
- b. **The listed value on official secondary markets for securities** defined in Directive 2014/65/ EU of the European Parliament and of the Council of May 15 of 2014, relating to financial instrument markets and, in particular, multilateral securities trading systems provided for in Chapter I of Title X of the consolidated text of the Securities Market Law, approved by Royal Legislative Decree 4/2015 , of October 23 (BOE of October 24), on the date of transmission.

Please note that article 37.1.c) of the Personal Income Tax Law refers to Directive 2004/39/EC of the European Parliament and of the Council, of April 21, 2004, on financial instrument markets, which has been repealed. with effect from January 3, 2017 by Directive 2014/65/EU of the European Parliament and of the

Council, of May 15, 2014, on markets in financial instruments. This, in its article 94, provides that references to Directive 2004/39/EC will be understood as references to Directive 2014/65/EU.

Likewise, as a consequence of the repeal of Royal Legislative Decree 4/2015 by the sole repealing provision 1.a) of Law 6/2023, of March 17, on Securities Markets and Investment Services, the references contained in article 37.1.c) of Law 35/2006 to the multilateral systems provided for in said Royal Decree must be understood as being made to section 3 of Chapter I of Title IV of the aforementioned Law 6/2023.

B. Acquisition value

In determining the acquisition value of the shares or participations, the same particularities mentioned for the cases of transfer of subscription rights and receipt of fully or partially released shares in the case of onerous transfers of securities admitted to trading on any of the regulated securities markets of the European Union must be taken into account, where applicable, and these are:

a. Acquisition value of partially paid-up shares.

In the case of partially paid-up shares, the acquisition value of the same will be the amount actually paid by the taxpayer.

b. Acquisition value of fully paid shares.

In the case of fully paid-up shares, the acquisition value, both of these and of those that come after, will be the result of dividing the total cost between the number of shares, both the old ones and the corresponding paid-up ones. The seniority of these shares will be considered to be that which corresponds to the shares from which they originate.

c. Acquisition value in the case of transfers of subscription rights made before January 1, 2017

Regulations: Transitional provision twenty-ninth Law IRPFABBR.

To determine the acquisition value of the securities, the amount obtained from the transfers of subscription rights made prior to January 1, 2017 will be deducted, with the exception of the amount of such rights that would have been taxed as capital gains. Where not all subscription rights have been transferred, it shall be deemed that those transferred correspond to the securities acquired first.

C. Identification of the values transmitted

In order to individualize the transferred assets, especially when not all of those held have been transferred, the Law establishes a special criterion, according to which **when there are homogeneous assets and not all of them are sold, it is understood that those transferred by the taxpayer are those that were acquired first by (FIFO criterion).**

In the case of fully paid-up shares, the seniority of the shares from which they originate will be considered.

Transfer of shares or participations acquired before December 31, 1994

In this case, if a capital gain is obtained, the part of the capital gain generated before January 20, 2006 (the only one to which the reduction or abatement coefficients are applicable) must be distinguished from that generated after said date, to which the reduction or abatement coefficients are not applicable.

The determination of the capital gain generated prior to January 20, 2006 and the application, where applicable, of the [reduction coefficients](#) will be carried out in accordance with the rules discussed in the previous section: Determining the amount of capital gains or losses: general rules of this same Chapter.

Special case: transfers of shares in listed investment funds

Without prejudice to the foregoing paragraphs, in the case of transfers of shares in listed investment funds or of listed shares in SICAV index, as referred to in Article 79 of the Regulations of Law 35/2003, of 4 November, on collective investment institutions, approved by Royal Decree 1082/2012, of 13 July, carried out on a stock exchange, the transfer value will be determined by the price on said markets on the date on which the transfer takes place or by the agreed price when it is higher than the price.

Special tax deferral regime

Contents of the special tax deferral regime and requirements for application :

When the amount obtained as a result of the reimbursement or transfer of shares or interests in collective investment institutions **is used to acquire or subscribe to other shares or interests in said institutions, the capital gain or loss** will not be computed, and the new shares or interests subscribed will retain the value and date of acquisition of those transferred or reimbursed.

This tax deferral regime for the taxation of capital gains **is only applicable in the following cases :**

1. In the repayment of shares in collective investment institutions that are considered investment funds.
2. In the case of transfers of shares in collective investment institutions with corporate form, provided that they meet the following two conditions:
 - That the number of partners of the collective investment institution whose shares are transferred is greater than 500.
 - That the taxpayer has not participated, at any time within the 12 months prior to the date of the transfer, in more than 5% of the capital of the collective investment institution.

For these purposes, the taxpayer must provide documentary evidence of this circumstance to the entities through which the transfer or reimbursement operations and the acquisition or subscription of the shares are carried out.

This special tax deferral regime is also applicable to partners or participants in collective investment institutions regulated by Directive 2009/65/EC of 13 July of the European Parliament and of the Council, other than those established in tax havens or territories considered to be tax havens, established and domiciled in a Member State of the European Union and registered in the special register of the National Securities Market Commission, for the purposes of their marketing by entities resident in Spain that meet the following requirements:

- That the acquisition, subscription, transfer and reimbursement of shares or interests is carried out through marketing entities registered with the National Securities Market Commission.
- That, in the event that the collective investment institution is structured in compartments or sub-funds, the number of partners and the maximum percentage of participation refers to each compartment or sub-fund marketed.

Note: Directive 2009/65/EC of 13 July of the European Parliament and of the Council, in Article 117, repeals, with effect from 1 July 2011, Directive 85/611/EEC and establishes that references to the repealed Directive shall be construed as references to Directive 2009/65/EC in accordance with the correlation table set out in Annex IV thereof.

Cases in which the tax deferral regime is not applicable

The tax deferral regime is not applicable in the following cases:

1. When the transfer or reimbursement or, where appropriate, the subscription or acquisition has as its object **shares representing the assets of listed investment funds**, that is, those whose shares are admitted to trading on the stock exchange in accordance with the provisions of article 79 of the Regulations of Law 35/2003, of November 4, on collective investment institutions, approved by Royal Decree 1082/2012, of July 13 (BOE of July 20), or has as its object **shares of the so-called listed index variable capital investment companies** (acronym SICAV listed index), in accordance with the same provision.

Furthermore, as of January 1, 2022, this deferral regime will not apply when the redemption or transfer or, where appropriate, the subscription or acquisition concerns **shares and interests in collective investment institutions similar to listed investment funds or companies of the same type** mentioned in the previous paragraph, regardless of the regulated market or multilateral trading system on which they are listed and the composition of the index that they reproduce, replicate or take as a reference. In these cases, the capital gain or loss obtained as a result of the transfer or reimbursement of this type of shares must always be computed.

However, the thirty-sixth transitional provision of the Personal Income Tax Law establishes a transitional regime that allows the deferral to continue to be applied to shares or interests in foreign listed investment funds and companies provided that they have been acquired before January 1, 2022, with the exception that the reinvestment must be made in Collective Investment Institutions other than listed investment funds and companies.

The deferral regime is also not applicable to participants in Bank Asset Funds, as provided for in the Seventeenth Additional Provision of Law 9/2012, of November 14, on the restructuring and resolution of credit institutions.

2. When, by any means, **the amount derived from the reimbursement or transfer of shares or interests** of collective investment institutions is made available to the taxpayer.

Atención: la Ley 11/2021, de 9 de julio, de medidas de prevención y lucha contra el fraude fiscal, con efectos desde 1 de enero de 2022, modifica el artículo 94 de la Ley del IRPFABBR con el fin de homogeneizar el tratamiento de las inversiones en determinadas instituciones de inversión colectiva, conocidas como fondos y sociedades de inversión cotizados (ETF, por sus siglas en inglés), con independencia del mercado, nacional o extranjero, en el que coticen. Así se extiende a las instituciones de inversión colectiva cotizadas que coticen en bolsa extranjera el tratamiento de las que cotizan en bolsa española respecto a la no aplicabilidad del régimen de diferimiento.

Example

Mrs. FLM On July 10, 2025, he requested the management company of the "Z" investment fund to carry out the necessary procedures to transfer 10 shares that he holds in said fund to the "X" investment fund.

The transfer of shares from one fund to another takes place on July 10, 2025, with the net asset value of the shares on that date being 6,000 euros per share.

The value and date of acquisition of the transferred shares are as follows:

Participations	Date of acquisition	Price/share	Cost price
3	02-04-1998	4.270	12.810
3	03-02-2000	4.900	14,700
4	05-06-2004	6.400	25,600
Total			53.110

Determine the tax treatment applicable to the transfer of shares made between both mutual funds.

Solution:

Since the requirements for applying the tax deferral regime have been met, the capital gain or loss revealed in the transfer operation will not be computed, the quantification of which is determined by the difference between the applicable net asset value on the date of the transfer ($6,000 \times 10 = 60,000$ euros) and the acquisition value of the shares (53,110 euros).

For the purposes of a future transfer or redemption of the shares acquired on July 10, 2025, these will retain the original acquisition date and value, so at that time the capital gain or loss obtained must be taxed.

4. Non-monetary contributions to companies

Regulations: Art. 37.1.d) Law IRPFABBR

General scheme

Specific valuation standard

In non-monetary contributions to companies, the capital gain or loss will be determined by the difference between the acquisition value of the assets or rights contributed and the highest of the following amounts:

- **The nominal value of the shares or equity interests received** for the contribution or, where applicable, the corresponding part thereof. The amount of the issue premiums will be added to this value.
- **The market value of the securities received**, on the day the contribution is formalized or the immediately preceding day.
- **The market value of the asset or right contributed**.

The transfer value that prevails must be the one considered as the acquisition value of the securities received as a result of the non-monetary contribution.

Accuracy : In cases where the capital gain or loss derived from non-monetary contributions to a related company is regularized in the capacity of a natural person, the specific valuation rules of Article 37.1.d) of the Law of IRPFABBR and 17.4 of the LIS on the special valuation rules of Article 41 of the Law of IRPFABBR (the valuation of transactions between related parties will be carried out at their normal market value) and 18 LIS. See for these purposes the doctrine established by the Supreme Court in the third legal ground in its Judgment of May 30, 2024, issued in appeal for cassation no. 7097/2022 (ROJ : STS 3050/2024). This criterion has also been adopted by the TEAC in its Resolution of May 27, 2024, Claim number 00/08931/2021, filed on appeal, which constitutes a change in criterion with respect to that maintained in its Resolution of November 23, 2016 (Claim number 00/03029/2013).

Contribution of assets or rights acquired before December 31, 1994

In this case, if a capital gain is obtained, the part of the capital gain generated before January 20, 2006 (the only one to which the reduction or abatement coefficients are applicable) must be distinguished from that generated after said date, to which the reduction or abatement coefficients are not applicable.

The determination of the capital gain generated prior to January 20, 2006 will be carried out in accordance with the [distribution rules](#) discussed in this same Chapter.

Example

Mrs. MAP On June 12, 2025, he contributed to the public limited company “DASA”, whose shares are admitted to trading on the Stock Exchange, a plot of land whose cadastral value in the aforementioned year was 72,000 euros, receiving from said company 11,000 shares of 6 euros nominal value, the quotation on that date being 210 percent.

The land had been acquired on 3 October 1999 for an amount equivalent to 93,000 euros, including the expenses and taxes inherent to the acquisition paid by Ms. MAP, the market value of which on the date of the contribution was 138,000 euros.

Determine the amount of capital gain or loss obtained.

Solution :

Transfer value:

1. Nominal amount of the securities received $(11,000 \times 6) = 66,000$
2. Quotation value of securities received $(11,000 \times 6 \times 210 \div 100) = 138,600$
3. Market value of the land: 138,000

Transmission value prevailing [\(1\)](#): 138,600

Acquisition value: 93,000

Capital gain $(138,600 - 93,000) = 45,600$

Note to example :

(1) The transfer value thus calculated will be taken into account to determine the acquisition value of the securities received as a result of the non-monetary contribution. [\(Back\)](#)

Special tax deferral regime

Requirements

The special tax deferral regime provided for in Articles 76 to 89 of Chapter VII of Title VII of the LIS, applies to taxpayers of IRPFABBR that make the contributions indicated below, provided that the entity receiving the contribution is resident in Spanish territory or carries out activities therein through a permanent establishment to which the contributed assets are allocated and provided that, once the contributions have been made, the taxpayer participates in the equity of the entity receiving the contribution by at least 5 percent.

Regarding the LIS see Law 27/2014, of November 27, on Corporate Tax.

Contributions must consist of:

- Contributions from branches of activity, understood as the set of elements that are capable of constituting an autonomous economic unit.
- Contributions of elements affected by economic activities.

In both cases, the taxpayer must keep accounts of his or her economic activity in accordance with the provisions of the Commercial Code.

- Contributions of shares or corporate interests.

In this case, in accordance with the provisions of article 87.1, letter c), of the LIS , in addition to the requirements indicated at the beginning of this section, the following must be met:

1. That the entity whose share capital they represent is not subject to the special regime for Spanish or European economic interest groups and temporary business associations, provided for in the LIS nor does it have as its main activity the management of movable or immovable assets in the terms provided for in article 4.eight.two of Law 19/1991, of June 6, on the Wealth Tax.
2. That they represent a share of at least 5% of the entity's equity.
3. That they are held uninterruptedly by the contributor during the year prior to the date of the public document in which the contribution is formalized.

Valuation of assets received

Capital gains arising from non-monetary contributions are not included in the taxpayer's taxable base. For the purposes of future transfers, the shares or holdings acquired are valued at the same tax value as the branch of activity or the assets contributed (value determined in accordance with the provisions of the applicable regulations). IRPFABBR) and taking as their age the date of acquisition of the contributed element.

Important: *The special tax deferral regime will not apply when the operation carried out has as its main objective tax fraud or evasion. In particular, the regime will not apply when the transaction is not carried out for valid economic reasons, such as the restructuring or rationalisation of the activities of the entities involved in the transaction, but for the sole purpose of obtaining a tax advantage.*

Obligation to communicate

The realization of the indicated contributions must be communicated to the Tax Administration with the indication, where appropriate, of the non-application of this special tax regime of Chapter VII of Title VII of the LIS . The communication must be submitted by the acquiring entity, unless it is not resident in Spanish territory, in which case said communication will be made by the transmitting entity. However, if neither of them (neither the acquiring entity nor the transferring entity) have their tax residence in Spain, the obligation to communicate will fall on the shareholders of the transferring entity, provided that they are resident in Spanish territory.

5. Separation of partners and dissolution of companies

Regulations: Art. 37.1.e) Law IRPFABBR

General scheme

Specific valuation standard

In cases where partners separate, as well as in cases of dissolution of companies, the difference between the following will be considered capital gains or losses, regardless of those corresponding to the company:

- **Value of the social liquidation share or the market value of the assets received , and**
- **Purchase value of the title or capital participation that corresponds .**

Article 37.1.e) of the Law of IRPFABBR It only refers to "cases of separation of partners ...", without distinguishing or specifying what the causes of separation of the partner from the company should be, nor limiting them to cases in which commercial regulations attribute to the partners the possibility of exercising the right to separate from the company, so it must be understood that the cases of 'separation of partners' contemplated in the aforementioned article 37.1.e) includes all cases in which the partner ceases to hold such status with respect to the company.

For this reason, if a natural person partner transfers all of their shares to the company in which they participate for redemption via capital reduction, we must consider the result of this operation, which is the "separation of the partner," since they cease to participate in the company and lose their partner status. This means that the specific valuation rule contained in Article 37.1.e) of the Law takes precedence. IRPFABBR that considers the amount received as a capital gain and the general rule provided for in article 33.3.a) of the Law is not applicable IRPFABBR for the reduction of capital with return of contributions that would lead to classifying the income obtained by the partner as income from movable capital.

However, the loss of the transferor's status as a partner due to having sold all of his shares or holdings to a third party other than the company cannot be considered "separation of the partner" for the purposes of applying the valuation rule of article 37.1.e) of the Law of IRPFABBR, making the valuation rule of article 37.1 b) applicable). See for this purpose the Supreme Court Judgments No. 1680/2024, of 24 October, issued in cassation appeal No. 8613/2023 (ROJ: STS 5451/2024), and 1735/2024, of October 30, issued in cassation appeal no. 2228/2023 (ROJ: STS 5169/2024).

Particular case: transfer of shares suspended from trading

The transfer of shares with suspended trading does not automatically entail a capital loss for the partners; it requires the dissolution and liquidation of the company.

Article 394.1 of the Consolidated Text of the Capital Companies Act, approved by Royal Legislative Decree 1/2010 of July 2, provides that once the period for challenging the final liquidation balance sheet has elapsed without any claims being filed against it or a final judgment resolving them having become final, the liquidation fee shall be paid to the partners.

Therefore, in order to calculate a capital loss under the terms established in article 37.1, e) of the Law of IRPFABBR The company must first be dissolved and liquidated, and the tax period in which the liquidation occurs is when the change in net worth is considered to have resulted in a capital loss for the shareholder.

Shares acquired before December 31, 1994

In this case, if a capital gain is obtained, the part of the capital gain generated before January 20, 2006 (the only one to which the reduction or abatement coefficients are applicable) must be distinguished from that generated after said date, to which the reduction or abatement coefficients are not applicable.

The determination of the capital gain generated prior to January 20, 2006 and the application, where applicable, of the [reduction coefficients](#) will be carried out in accordance with the distribution rules discussed in this same Chapter.

Example: Separation of partners or dissolution of companies

In the dissolution of the non-listed public limited company "MANSA", on March 15, 2025, Mr. ROL, who owned 15 percent of the company's share capital, was awarded a plot of land whose book value on that date amounted to 16,500 euros and, in addition, the amount of 6,000 euros, which correspond to voluntary reserves of the company. The market value of the awarded plot is estimated, according to expert opinions issued for this purpose, at 132,000 euros.

The company's participation was acquired by Mr. ROL On May 3, 1993, paying an amount equivalent to 153,000 euros, including the costs and taxes inherent to said acquisition.

Determine the amount of capital gain or loss obtained as a result of the dissolution of said company.

Solution :

Transfer value: 138,000

Market value of the land: 132,000

Social liquidation share value: 6,000

Acquisition value of the company's shareholding: 153,000

Asset loss $(138,000 - 153,000) = 15,000$

Although the period of permanence of the corporate participation in the assets of Mr. ROL as of 31-12-1996 is greater than two years, having incurred a capital loss, the reduction coefficients are not applicable.

Dissolution and liquidation of certain civil companies: Tax deferral regime

Regulations: nineteenth transitional provision of the Law IRPFABBR

Delimitation

To civil companies with legal personality and commercial purpose that, prior to January 1, 2016, applied the income attribution regime of IRPFABBR and that, from that date, they met the requirements to acquire the status of taxpayers of the Corporate Income Tax, they were offered the possibility of validly adopting in the first six months of the 2016 financial year a dissolution agreement with liquidation and carrying out after the agreement, within the period of six months following its adoption, all the acts or legal transactions necessary for the extinction of the civil company.

For the partners of the civil society that opted for its dissolution and liquidation, it was established that there was a capital gain when they received credits, money or a symbol that represents it, while for the remaining assets that were awarded to them, taxation was deferred until the time they were transferred, then the gain was determined.

The rules for the valuation of assets and the taxation applicable to the partner based on the result obtained are as follows.

Valuation of assets

The acquisition value and, where applicable, the ownership of the shares or interests in the capital of the civil company that was dissolved, was increased by the amount of the debts awarded and decreased by the amount of the credits and money or token representing it awarded. This is:

(+) Purchase value of shares or interests [\(1\)](#)

(+) Ownership value [\(2\)](#)

(+) Assigned debts

(-) Credits and money awarded

(=) Result

Notes:

(1) In the case of civil partnerships that kept accounts in accordance with the commercial code in the 2014 and 2015 financial years, as provided for in Article 68 of the Regulations of IRPFABBR, is the price or amount paid for the acquisition of the shares or holdings. In the remaining cases, the acquisition value of the shares as of January 1, 2016 will be determined by the difference between the value of tangible fixed assets and real estate investments, reflected in the corresponding record books, and the liabilities payable, unless the existence of other assets is proven. [\(Back\)](#)

(2) In the case of civil partnerships that kept accounts in accordance with the Commercial Code in the 2014 and 2015 financial years, as provided for in Article 68 of the Regulations of IRPFABBR. [\(Back\)](#)

Taxation based on results

Result < 0

If the result of the previous operations was negative, their amount should be considered capital gain in the 2016 financial year, setting the acquisition value of the rest of the awarded elements other than credits, money or a symbol that represents it at 0.

Result = 0

If the result was 0, there was no capital gain or loss. The rest of the awarded asset elements that were not credit, money or a sign representing it, had an acquisition value of 0.

Result > 0

If the result was positive (greater than 0), there was no capital gain or loss.

The acquisition value of each of the remaining assets awarded other than credits, money or any sign that represents it, was the result of distributing the positive result among them based on the market value resulting from the final balance sheet of the liquidation of the company that was being extinguished.

Date of acquisition of awarded items other than credits, money or a symbol representing them

The awarded assets, other than credits or money, are considered to have been acquired by the partner on the date they were acquired by the civil partnership that was dissolved, in accordance with the nineteenth transitional provision of the Law of IRPFABBR.

6. Spin-off or merger of companies

Regulations: Art. 37.1.e) Law IRPFABBR

General scheme

Specific valuation standard

When merger operations occur between one or more entities and another existing entity (merger by absorption) or between two or more entities giving rise to a new entity (merger into a new company), as well as in operations involving the splitting (total or partial) of an entity, the shareholders of the merged or absorbed companies deliver their shares and receive in exchange other shares from the companies acquiring the corporate assets of those companies. This leads to a change in the composition of the partners' assets, which may result in a capital gain or loss. Such capital gain or loss will be computed as the difference between:

- **Acquisition value of the titles, rights or securities representing the participation of partner** , and
- **Market value of the securities, cash or rights received or the market value of those delivered** .

Shares acquired before December 31, 1994

In this case, if a capital gain is obtained, the part of the capital gain generated before January 20, 2006 (the only one to which the reduction or abatement coefficients are applicable) must be distinguished from that generated after said date, to which the reduction or abatement coefficients are not applicable.

The determination of the capital gain generated prior to January 20, 2006 and the application, where applicable, of the [reduction coefficients](#) will be carried out in accordance with the distribution rules discussed in section " [Determination of the amount of capital gains or losses: general rules](#) ", of this same Chapter.

Special tax deferral regime

Regulations: Articles 37.3 Law IRPFABBR and 81 LIS

Requirements

The special tax deferral regime provided for in Articles 76 to 89 of Chapter VII of Title VII of the LIS, is applicable to taxpayers of IRPFABBR that they be partners in merger and spin-off operations provided that the requirements are met:

- That they are residents in Spanish territory or in that of another Member State of the European Union or in that of any other State provided that, in the latter case, the securities are representative of the share capital of an entity resident in Spanish territory.
- That the operations do not involve entities domiciled or established in countries or territories classified as tax havens or that the income is obtained through them.

Valuation of assets received

When the above requirements are met, the capital gains that arise from the attribution of shares or interests of the acquiring entity to the partners of the merged or split-up companies will not be included in the taxpayer's tax base.

The valuation and seniority of the shares received by virtue of the merger and spin-off operations must be carried out, for the purposes of future transfers, for the acquisition value and seniority of the shares delivered. This valuation will be increased or decreased by the amount of the additional monetary compensation given or received.

When the partner is considered to be an **entity under the income attribution regime**, the profit generated on the occasion of said attribution of securities will not be included in the tax base of the persons or entities that are partners, heirs, common owners or participants in said partner, provided that the operation is subject to the tax regime established in Chapter VII of Title VII of the LIS or is carried out under Council Directive 2009/133/EC of 19 October on the common tax regime applicable to mergers, spin-offs, partial spin-offs, contributions of assets and exchanges of securities between companies of different Member States and to the transfer of the registered office of an SE or an SCE from one Member State to another, and the securities received by the partner retain the same tax valuation as those exchanged.

Important: *The special tax deferral regime will not apply when the operation carried out has as its main objective tax fraud or evasion. In particular, the regime will not apply when the transaction is not carried out for valid economic reasons, such as the restructuring or rationalisation of the activities of the entities involved in the transaction, but for the sole purpose of obtaining a tax advantage.*

Loss of resident status in Spanish territory

Regulations: Art. 81.3 LIS

- **Temporary Imputation**

If the partner who applied the special tax deferral regime loses their resident status in Spanish territory, it will be included in the taxable base of IRPFABBR of the last tax period that must be declared for this tax, the difference between the market value of the shares or holdings received and their value calculated as indicated above (that is, by the acquisition value and age of the shares delivered), unless the shares or holdings are allocated to a permanent establishment located in Spanish territory.

- **Deferral of debt payment due to change of residence to other States of the European Union or the European Economic Area**

However, the payment of the resulting tax debt, when the partner acquires residence in a Member State of the European Union, or of the European Economic Area with which there is an effective exchange of tax information under the terms provided for in section 3 of the First Additional Provision of Law 36/2006, of November 29, on measures for the prevention of tax fraud, **It will be postponed by the Tax Administration at the taxpayer's request.** until the date of transfer to third parties of the affected shares or holdings, the provisions of the LGT and its implementing regulations, regarding the accrual of late payment interest and the establishment of guarantees for said deferral.

In relation to the LGT see Law 58/2003, of December 17, General Tax.

- **Restoration of resident status in Spanish territory**

If the taxpayer were to regain the status of taxpayer of IRPFABBR Without having transferred ownership of the shares or holdings, you may request the rectification of the self-assessment in order to obtain the refund of the amounts paid corresponding to these capital gains. The request for rectification may be submitted from the end of the declaration period corresponding to the first tax period in which a self-assessment must be submitted. IRPFABBR.

Obligation to communicate

The execution of merger and demerger operations to which the special tax deferral regime provided for in the LIS applies must be communicated to the tax authorities by the entity acquiring the operations. However, if the acquiring entity is not resident in Spanish territory, said communication will be made by the transmitting entity. And if neither the acquiring entity nor the transferring entity are resident in Spanish territory, it will be the partners, provided they are resident in Spanish territory, who must submit the communication.

7. Transfers

Regulations: Art. 37.1.f) Law IRPFABBR

Specific valuation standard

In the event of a transfer, the capital gain will be computed in the transferor (tenant) for the amount that corresponds to him in the transfer, once the amount corresponding to the owner for his participation in said transfer has been deducted.

When the right of transfer has been acquired through a price, this will be considered the acquisition price.

The reduction or abatement coefficients of the transitional regime are not applicable when dealing with affected assets in these cases, unless the de-affectation has occurred more than three years prior to the date of the transfer.

Important: Any amounts that the owner of the leased property receives as a share in the transfer constitute income from real estate capital.

Example

Mr. MMA has been carrying out restaurant activities in rented premises since May 10, 2000, determining the net income from his activity using the objective estimation method.

During the month of August 2006, he carried out renovation work on the premises, paying the sum of 20,000 euros for this purpose.

On June 25, 2025, on the occasion of his retirement, he transferred the business premises, receiving the amount of 28,500 euros, after deducting the amount corresponding to the landlord as a participation in the transfer.

Determine the amount of capital gain obtained as a result of the transfer of the business premises.

Solution :

- Amount corresponding to the transfer: 28,500
- Purchase price ⁽¹⁾: 0
- Capital gain obtained = 28,500

Note to example:

(1) The renovation works on the premises cannot be considered as the purchase price of the transfer right, since these amounts were not paid to acquire the transfer right, which, according to the data in the example, was not acquired by means of a price. [\(Back\)](#)

8. Compensation or insured capital for losses or incidents in assets

Regulations: Art. 37.1.g) Law IRPFABBR

Specific valuation standard

In the case of compensation or insured capital for losses or incidents in assets, the difference between the following will be computed as capital gain or loss:

- **The amount received as compensation , and**
- **The proportional part of the acquisition value that corresponds to the damage .**

When the compensation is not in cash, the difference between the market value of the goods, rights or services received and the proportional part of the acquisition value that corresponds to the damage will be calculated.

Capital gains will only be computed when they result in an increase in the value of the taxpayer's assets. Consequently, **in all those cases in which only the repair of the damage is covered, no capital gain will be computed for tax purposes.**

Example: Compensation or insured capital for losses or incidents in assets

Mr. SMG has been the owner of a villa since 1990, purchased for an amount equivalent to 150,300 euros, including the expenses and taxes inherent to the acquisition paid for it.

On September 8, 2025, as a result of a fire that broke out in the chalet, it was completely destroyed, with the insurance company paying the amount of 89,800 euros. According to the specifications of the IBI receipt, the value of the land represents 40% of the total cadastral value of the same.

Determine the amount of capital gain or loss obtained.

Solution:

- Compensation received: 89,800
- Proportional part of the acquisition value that corresponds to the damage [\(1\)](#): 90.180
- Capital loss $(89,800 - 90,180) = -380$

Note to example:

(1) The determination of the proportional part of the acquisition value that corresponds to the damage is determined by applying the percentage of 60% to the acquisition value of the chalet $(150,300 \times 60\%) = 90,180$. [\(Back\)](#)

9. Exchange of assets or rights, including exchange of securities

Regulations: Art. 37.1.h) Law IRPFABBR

General scheme

Specific valuation standard

In the case of exchange of assets or rights, including the exchange of securities, the capital gain or loss will be determined by the difference between **the acquisition value of the asset or right being transferred and the highest of the following two** :

- The market value of the asset or right delivered.
- The market value of the good or right received in exchange.

Special case: exchange of land for apartments or premises to be built on it

In this case, the capital gain or loss of the owner of the land will occur at the time when he proceeds to transfer it and will be determined by applying the rule discussed above.

Once the capital gain or loss obtained has been determined, the taxpayer may choose to pay taxes in the tax period in which the change in assets takes place (transfer of the land) or to impute it proportionally as the buildings are delivered to him or, where appropriate, he receives cash payments, provided that more than one year passes between the transfer of the land and the delivery of the buildings or cash, by applying the special rule of temporary imputation of transactions with a term or deferred payment.

Goods or rights delivered acquired before December 31, 1994

In this case, if a capital gain is obtained, the part of the capital gain generated before January 20, 2006 (the only one to which the reduction or abatement coefficients are applicable) must be distinguished from that generated after said date, to which the reduction or abatement coefficients are not applicable.

The determination of the capital gain generated prior to January 20, 2006 and the application, where applicable, of the [reduction coefficients](#) will be carried out in accordance with the distribution rules discussed in this same Chapter.

Example

Mr. AOP He transferred on June 25, 2025, a plot of land he owned in exchange for an apartment for his own use, which will be delivered in October 2026 and whose market value is estimated to be 600,000 euros in that year.

The transferred land was acquired by Mr. AOP by inheritance on January 10, 1989, the value administratively verified for the purposes of the Inheritance and Gift Tax in that year amounting to an amount equivalent to 100,000 euros. The market value of the land on the date of transfer was 600,000 euros.

Since 1 January 2015, the taxpayer has not transferred assets to which the ninth transitional provision of the Personal Income Tax Law would apply.

Determine the capital gain or loss obtained by Mr. AOP and the completion of their personal income tax return, year 2025, knowing that the taxpayer has chosen to impute the capital gain to the year 2026 in which the apartment will be delivered to them.

Solution:

1. Determination of the capital gain or loss obtained by Mr. AOP

a. Market value of the apartment to be received: 600,000

Market value of the land delivered: 600,000

b. Purchase value of the land being transferred: 100,000

c. Capital gain (600,000 - 100,000) = 500,000

2. Determination of the capital gain generated before 20-01-2006 [\(1\)](#):

Reducible capital gain (500,000 ÷ 13,315) × 6,219 = 233,533.61

3. Calculation of reduction:

a. Profit generated with prior to 20-01-2006 susceptible to reduction [\(2\)](#)

Maximum limit: 400,000

Σ Transfer value of assets with the right to reduction from 01-01-2015: 0

Transfer value of the asset to which DT9 Law applies IRPFABBR: 400,000

Capital gain subject to reduction (233,533.61 × 400,000) ÷ 600,000 = 155,689.07

b. Applicable reduction

Number of years of stay until 31-12-1996: up to 8 years

Reduction by abatement coefficients (66.66% × 155,689.07) = 103,782.33

c. Reduced capital gain

Reduced capital gain: (233,533.61 – 103,782.33) = 129,751.28

4. Determination of non-reducible capital gain (generated from 20-01-2006):

Non-reducible capital gain: (500,000 – 233,533.61) = 266,466.39

5. Capital gain that can be deducted (129,751.28 + 266,466.39) = 396,217.67

6. Capital gain attributable to 2025: 0 [\(3\)](#)

Notes to the example:

(1) The determination of this part of the gain is made in proportion to the number of days elapsed between the acquisition date (10-01-1989) and 19-01-2006, inclusive, which amounts to 6,219 days, with respect to the total number of days elapsed between the acquisition date and the transfer date (25-06-2025), which is 13,315 days.
[\(Back\)](#)

(2) Although the value of the transfer is 600,000 euros, the maximum limit is 400,000 euros. Therefore, the portion of the profit generated before 20-01-2006 that corresponds proportionally to a transfer value of 400,000 euros is subject to reduction. In the next transfer that is made, even if the asset was acquired by the taxpayer before December 31, 1994, the reductions of the ninth transitional provision of the Personal Income Tax Law cannot be

applied. [\(Back\)](#)

(3) Since the taxpayer has chosen to attribute the capital gain obtained in 2025 to the year in which he receives the agreed consideration (delivery of an apartment for his own use) 2026 **It will be in this exercise that the tax imputation of the entire capital gain obtained and recorded in the 2025 IRPF declaration must be made.**

[\(Back\)](#)

Special regime for tax deferral of securities exchange

Regulations: Articles 37.3 Law IRPFABBR and 80 LIS

Requirements

The special tax deferral regime provided for in Chapter VII of Title VII of the LIS, is applicable to taxpayers of IRPFABBR that carry out the exchange of securities defined in article 76.5 of the LIS such as the operation by which an entity acquires a stake in the share capital of another that allows it to obtain a majority of the voting rights in it or, if it already has such a majority, to acquire a larger stake, by allocating to the partners, in exchange for their shares, other shares representing the share capital of the first entity and, where appropriate, a cash compensation that does not exceed 10 percent of the nominal value or, in the absence of a nominal value, a value equivalent to the nominal value of said shares deducted from its accounts; provided the following requirements are met:

- That the partners who carry out the exchange of securities reside in Spanish territory or in that of another Member State of the European Union or in that of any other State provided that, in the latter case, the securities received are representative of the share capital of an entity resident in Spain.
- That the entity that acquires the securities is resident in Spanish territory or is included in the scope of application of Directive 2009/133/ CE .
- That the operations do not involve entities domiciled or established in countries or territories classified as tax havens or that the income is obtained through them.

Valuation of assets received

When the above requirements are met, the capital gains that arise from the exchange of securities will not be included in the taxpayer's tax base.

The **valuation and seniority** of the shares received by the partners by virtue of the exchange must be carried out, for the purposes of future transfers, for the acquisition value and seniority of the shares delivered. This valuation will be increased or decreased by the amount of the additional monetary compensation given or received.

When the partner is considered to be an **entity under the income attribution regime** , the gain generated on the occasion of the exchange of securities will not be included in the tax base of the persons or entities that are partners, heirs, co-owners or participants in said partner, provided that the operation is subject to the tax regime established in Chapter VII of Title VII of the LIS or is carried out under Council Directive 2009/133/EC of 19 October on the common tax regime applicable to mergers, spin-offs, partial spin-offs, contributions of assets and exchanges of securities between companies of different Member States and to the transfer of the registered office of an SE or an SCE from one Member State to another, and the securities received by the partner retain the same tax valuation as those exchanged.

Important: *The special tax deferral regime will not apply when the operation carried out has as its main objective tax fraud or evasion. In particular, the regime will not apply when the transaction is not carried out for valid economic reasons, such as the restructuring or rationalisation of the activities of the entities involved in the transaction, but for the sole purpose of obtaining a tax advantage.*

Loss of resident status in Spanish territory

Regulations: Art. 80.4 LIS

- **Temporary Imputation**

If the partner who applied the special tax deferral regime loses their resident status in Spanish territory, it will be included in the taxable base of IRPFABBR of the last tax period that must be declared for this tax, the difference between the market value of the shares or holdings and their value calculated as indicated above (that is, by the tax value of those delivered), unless the shares or holdings are allocated to a permanent establishment located in Spanish territory.

- **Deferral of debt payment due to change of residence to other States of the European Union or the European Economic Area**

However, payment of the resulting tax debt, when the partner acquires residency in a Member State of the European Union or the European Economic Area with which there is an effective exchange of tax information under the terms set forth in section 3 of the First Additional Provision of Law 36/2006, of 29 November, on measures to prevent tax fraud, will be deferred by the tax authorities at the request of the taxpayer until the date of transfer to third parties of the affected shares or interests, with the provisions of LGT and its implementing regulations applying, regarding the accrual of late payment interest and the establishment of guarantees for such deferral.

In relation to the LGT see Law 58/2003, of December 17, General Tax.

- **Restoration of resident status in Spanish territory**

If the taxpayer were to regain the status of taxpayer of IRPFABBR Without having transferred ownership of the shares or holdings, you may request the rectification of the self-assessment in order to obtain the refund of the amounts paid corresponding to these capital gains. The request for rectification may be submitted from the end of the declaration period corresponding to the first tax period in which a self-assessment must be submitted. IRPFABBR.

Obligation to communicate

The carrying out of securities exchange operations to which the special tax deferral regime provided for in the LIS applies must be communicated to the tax authorities by the entity acquiring the operations. However, if the acquiring entity is not resident in Spanish territory,

said communication will be made by the transmitting entity. And if neither the acquiring entity nor the transferring entity are resident in Spanish territory, it will be the partners, provided they are resident in Spanish territory, who must submit the communication.

10. Extinction of life or temporary annuities

Regulations: Art. 37.1.i) Law IRPFABBR

The life annuity or temporary annuity contract can be defined as that random contract that obliges the debtor to pay a pension or annual income for a certain time or during the life of one or more specific persons, in exchange for capital in movable or immovable property, the ownership of which is transferred to him, of course, with the burden of the pension.

In the extinction of life or temporary annuities, the capital gain or loss will be computed, for the person obliged to pay them, by **difference between the acquisition value of the capital received and the sum of the annuities actually paid**. As for the annuitant, he exhausts his taxation during the collection of the income.

11. Transfers of assets in exchange for income

Regulations: Art. 37.1.j) Law IRPFABBR

Specific valuation standard

In these cases of transfers of assets in exchange for a temporary or life annuity, the capital gain or loss will be determined by the difference between the following values:

- Actuarial financial present value of income.
- Acquisition value of the transferred assets.

Important: *If the asset being transferred is the main residence and the transferor is over 65 years of age or a person in a situation of severe or total dependency, the capital gain that may arise from this operation is exempt from IRPFABBR*

Assets acquired before December 31, 1994

In this case, if a capital gain is obtained, the part of the capital gain generated before January 20, 2006 (the only part to which the reduction or abatement coefficients will be applicable) must be distinguished from that generated after said date, to which the reduction or abatement coefficients are not applicable.

The determination of the capital gain generated prior to January 20, 2006 and the application, where applicable, of the [reduction coefficients](#) will be carried out in accordance with the distribution rules discussed in this same Chapter.

■ Example

Mr. SMT, 60 years old, transfers his main residence on November 10, 2025 in exchange for a life annuity, whose current actuarial financial value at the time of its constitution amounts to 180,000 euros, an amount that coincides with the market value of the property. The annual payment for the year 2025 is 15,000 euros.

The property was purchased on April 2, 1980 for an amount equivalent to 23,000 euros, including expenses and taxes inherent to the transfer.

The taxpayer had not, since January 1, 2015, transferred any assets to whose gain the ninth transitional provision of the Law applied. IRPFABBR.

Determine the taxable income derived from said operation in the year 2025.

Solution:

1. Determination of the capital gain or loss arising from the transfer of the home.

Transfer value: 180,000

Acquisition value: 23,000

Capital gain $(180,000 - 23,000) = 157,000$

2. Determination of the capital gain generated before 20-01-2006 [\(1\)](#):

Reducible capital gain $(157,000 \div 16,658) \times 9,424 = 88,820.27$

3. Calculation of reduction:

- a. Profit generated with prior to 20-01-2006 susceptible to reduction [\(2\)](#)

Maximum limit: 400,000

Σ Transfer value of assets with the right to reduction from 01-01-2015: 0

Transfer value of the asset to which DT9 Law applies IRPFABBR: 180,000

Capital gains susceptible to reduction: 88,820.27

- b. Applicable reduction

Number of years of stay until 31-12-1996: more than 10 years

Reduction by abatement coefficients $(100\% \times 88,820.27) = 88,820.27$

- c. Reduced capital gain: 0

4. Determination of non-reducible capital gain (generated from 20-01-2006):

Non-reducible capital gain $(157,000 - 88,820.27) = 68,179.73$

5. Capital gain that can be deducted $(68,179.73 + 0.00) = 68,179.73$

6. Determination of the return on movable capital derived from the annuity.

Investment income: $(15,000 \times 24\%) \text{ (3)} = 3,600$

Notes to the example:

- (1) The reducible capital gain is the one estimated to have been generated before 20-01-2006. Its determination is made in proportion to the number of days that have passed between the acquisition date (02-04-1980) and 19-01-2006 inclusive, which amounts to 9,424 days, with respect to the total number of days that have passed between the acquisition date and the transfer date (10-11-2025), which is 16,658 days. [\(Back\)](#)
- (2) Since the maximum applicable limit on the transfer value is 400,000 euros and, in this case, the transfer value entitled to the application of reduction coefficients is 180,000 euros without any other transfer having occurred entitled to the application of the ninth transitional provision of the Law of IRPFABBR, the reduction coefficients will be applied to the entire amount of the capital gain generated prior to 20-01-2006. [\(Back\)](#)
- (3) The percentage of 24 percent corresponds to the age of the annuitant (60 years) at the time of the constitution of the annuity (year 2025) and will remain constant throughout the validity of the annuity. See, in this regard, within Chapter 5, the section " [Life or temporary annuities derived from the imposition of capital](#) ". [\(Back\)](#)

12. Transfer or extinction of real rights of enjoyment over real estate

Regulations: Art. 37.1.k) Law IRPFABBR

Specific valuation standards

As a general rule, the capital gain or loss is calculated by the difference between the transfer value (which is zero in the case of termination of the right) and the acquisition value.

If the holder of the real right of enjoyment or use of real estate leased it, the amortization of the usufruct may be deducted as an expense in determining the corresponding real estate capital income (with the limit of the gross income received from the lease). Therefore, when the right is transferred or extinguished, the acquisition value must be reduced by the amount of the amortization that could be deducted for tax purposes.

In the case of real rights of enjoyment or use established on real estate that do not generate real estate capital returns, the right is consumed by use, so the acquisition value must be reduced proportionally to the time of use.

Real rights of enjoyment or use over real estate acquired before December 31, 1994

In this case, if a capital gain is obtained, the part of the capital gain generated before January 20, 2006 (the only one to which the reduction or abatement coefficients are applicable) must be distinguished from that generated after said date, to which the reduction or abatement coefficients are not applicable.

The determination of the capital gain generated prior to January 20, 2006 and the application, where applicable, of the [reduction coefficients](#) will be carried out in accordance with the distribution rules discussed in this same Chapter.

Example: Transfer or extinction of real rights of enjoyment over real estate

Mr. AMC acquired on January 2, 2006 a temporary usufruct for a period of 20 years on an urban property, paying an amount equivalent to 60,000 euros. The aforementioned urban property was leased during the years 2006 to 2010, with the holder of the right receiving an annual rent equivalent to 3,000 euros during 2006 and 4,200 euros during each of the remaining years.

On January 2, 2025, he transferred said right for an amount of 34,000 euros.

Determine the amount of the capital gain or loss obtained from the transfer of said real right.

Solution:

Transfer value: 34,000

Acquisition value: 3,000 [\(1\)](#)

Capital gain $(34,000 - 3,000) = 31,000$

Notes to the example:

(1) For the years 2011 to 2024 in which the property was not leased, the acquisition value of the real right will be reduced in the proportion that these periods represent with respect to the duration of the right. The following operations must therefore be carried out:

Purchase amount: 60,000

Reduction corresponding to the years 2011 to 2024 $(60,000 \div 20) \times 14 = 42,000$

Reduced acquisition amount $(60,000 - 42,000) = 18,000$

Less tax-deductible amortizations: [\(2\)](#)

Total value of amortizations 2006 as of 2010 [\(3\)](#) $(3,000 \times 5) = 15,000$

Total acquisition value $(18,000 - 15,000) = 3,000$ [\(Back\)](#)

(2) Since this is a temporary usufruct, the deductible annual amortization will be the result of dividing the acquisition cost of the right paid by the number of years of duration of the same, without said amount being able to exceed the amount of the gross income derived from the right. That is, $60,000 \div 20 = 3,000$ euros. [\(Back\)](#)

(3) The limit of tax-deductible amortization cannot exceed the amount of income received in each of the financial years. [\(Back\)](#)

13. Incorporations of goods or rights that do not derive from a transfer

Regulations: Art. 37. 1. I) Law IRPFABBR

In the case of incorporations of assets or rights that do not derive from a transfer, the market value of those assets or rights will be computed as capital gain. The most detailed commentary on this assumption of profits and losses [not derived from the transfer of assets](#) is contained in the section "Determination of the amount of capital gains or losses: general rules" of this same Chapter.

14. Operations carried out in the futures and options markets

Regulations: Art. 37. 1. m) Law IRPFABBR

Income obtained from transactions carried out in futures and options markets is considered capital gains or losses provided that they are carried out for speculative purposes and not for the purpose of covering risks of an economic activity carried out by the taxpayer, in which case they will be taxed as income from said activities.

Capital gains or losses obtained as a result of the aforementioned speculative operations must be attributed to the tax period in which the liquidation of the position or the termination of the contract takes place.

According to the National Securities Market Commission

- **A future** is a contract by which the exchange of a specific amount of underlying asset (securities, indices, agricultural products, raw materials, etc.) is agreed on a predetermined future date, at a price agreed in advance.
- **An option** is a contract that entails a right for the buyer and an obligation for the seller to buy (or sell) a certain amount of the underlying asset within a stipulated period of time at a price agreed in advance (strike price).

The *option price* is what the buyer pays to obtain that right and is called the "premium." When the expiration date arrives, the buyer will be interested or not in exercising it depending on the difference between the price set for the transaction and the price that the underlying asset has at that time in the cash market.

15. Transmission of assigned or disaffected assets less than three years in advance

Affected heritage elements

Specific valuation standard

Regulations: Articles 37.1.n) Law IRPFABBR and 40.2 Regulation IRPFABBR

Without prejudice to the application of the specific valuation rules discussed above that may be applicable, in order to determine the capital gain or loss derived from elements allocated or disassociated less than three years prior to the date of the transfer, the following clarifications must also be taken into account:

1. The acquisition value of the transferred item is constituted by its **book value** . This value is made up of the following components:

Note: As of January 1, 2015, the monetary correction coefficients provided for in the Corporate Tax to update the acquisition value of the transferred asset in these cases disappeared.

a. The acquisition value, if the item was purchased from a third party .

This value will be the actual amount for which the same would have been carried out, including the additional expenses incurred until it is put into operation, as well as the financial expenses accrued before the asset is put into operation which, being susceptible to activation according to the General Accounting Plan, would have been capitalized or activated.

b. The cost of production, if the item has been produced by the taxpayer's own company .

This value will be the acquisition cost of the raw materials consumed and other elements incorporated, as well as the proportional part of the direct and indirect costs that must be attributed to their production.

c. In the case of assets that have been affected by the activity after their acquisition, the following cases must be distinguished:

- **Affectation carried out after January 1, 1999** . In this case, the acquisition value will be taken as the value of the asset at the time of the allocation and the acquisition date will be the date corresponding to the original acquisition.
- **Impact made before January 1, 1999** . In this case, the acquisition value should be taken as the one resulting from the criteria established in the Wealth Tax regulations at the time of the allocation and the acquisition date should be the one corresponding to the allocation.

d. Whichever value prevails among the above, its amount will be increased or decreased by the following amounts:

(+) The cost of investments or improvements made to the transferred item.

(-) The amount of tax-deductible amortization, computing, in all cases, the minimum amortization.

The elements related to economic activities that are transferred from 31 March 2012 onwards are excepted from this last rule, when they have enjoyed the freedom of amortization with or without maintenance of employment provided for in the Thirtieth Additional Provision of the Law IRPFABBR.

Precision: In relation to the amortization of intangible assets with an indefinite useful life, it should be noted that, while in the direct estimation methods, both normal and simplified, amortization must be done in accordance with the regulations of IS , in the objective estimation method there is a specific tax

amortization regime with maximum amortization percentages of 15% and minimum of 10%, which does not distinguish between intangible assets of definite or indefinite duration and which has remained unchanged to this day. However, outside of the objective estimation method, the regulation of the amortization of intangible assets with an indefinite useful life has undergone profound modifications both in its commercial and accounting aspects and also in the tax aspects of IS. In the latter case, until January 1, 2016, the tax deductibility of the amortization of intangible assets of indefinite duration was not allowed, so it is not possible to speak in relation to periods prior to that date of a "minimum amortization" of such assets in the sense mentioned in Article 40 of the Regulation of IRPFABBR (Resolution of the Central Economic-Administrative Court of February 10, 2020, in unification of criteria).

Less the amount of any partial sales that may have been made previously, as well as any losses suffered by the asset.

In summary:

ACQUISITION VALUE (OR PRODUCTION COST OR EFFECTIVE VALUE)

(+) IMPROVEMENTS

(-) AMORTISATIONS + PREVIOUS DISPOSALS + LOSSES

= ACCOUNTING VALUE OF THE ASSET ITEM

2. The reduction coefficients of the transitional regime **are not applicable** to the capital gains obtained.

Note: For the purposes of applying the reduction coefficients of the transitional regime, assets not affected by economic activities will be considered those in which the de-affectation of these activities has occurred more than three years prior to the date of transfer.

Special rules

In addition to the rules discussed so far, there are certain special rules that affect the following assets:

1. Heritage elements updated under Royal Decree-Law 7/1996 or Law 16/2012

In the case of assets updated in accordance with the provisions of Article 9 of Law 16/2012, of December 27, which adopts various tax measures aimed at consolidating public finances and promoting economic activity or, where appropriate, Article 5 of Royal Decree-Law 7/1996, of June 7, the determination of the capital gain or loss obtained will be carried out in accordance with the following rules:

- The difference between the acquisition price and the corresponding amortizations recorded therefor shall be reduced by the amount of the net increase in value resulting from the updating operations provided for in Law 16/2012, of December 27, or, where applicable, in Royal Decree-Law 7/1996, with the positive difference thus determined

being the amount of monetary depreciation.

- The capital gain or loss will be the result of reducing the difference between the transfer value and the book value by the amount of the monetary depreciation referred to in the previous rule.

2. Intangible fixed assets (taxi license) transmitted in the autotaxi transport activity included in the objective estimation regime

Regulations: Seventh Additional Provision of the Law IRPFABBR

Taxpayers who carry out the activity of taxi transport, classified under section 721.2 of the first section of the rates of the Tax on Economic Activities (IAE), who determine their net income using the objective estimation method, will reduce the capital gains that occur from the transfer of intangible fixed assets, when the transfer is motivated by permanent disability, retirement or cessation of activity due to restructuring of the sector or when, for other reasons, they are transferred to relatives up to the second degree.

Please note that the circumstance for applying this tax benefit would not be considered to have occurred if the license holder continued to carry out the activity after the declaration of permanent disability.

Capital gains will be reduced according to the following rules:

- The portion of the profit generated prior to January 1, 2015 will be distinguished, understanding this as the portion of the capital gain that proportionally corresponds to the number of days elapsed between the date of acquisition and December 31, 2014, both inclusive, with respect to the total number of days that it would have remained in the taxpayer's assets.
- The portion of the capital gain generated prior to January 1, 2015 will be reduced by applying the following percentages depending on the number of years elapsed from the date of acquisition until December 31, 2014.

	Until (year)	More than (years)									
Years	1	1	2	3	4	5	6	7	8	9	10
Reduction	4%	8%	12%	19%	26%	33%	40%	47%	54%	61%	74%

Example

Mr. JVC, a taxi entrepreneur who determines the net income of his activity using the objective estimation method, retired on January 10, 2025. For this reason and in order for his son to continue with the activity, he transferred his municipal license to him on that date for 60,000 euros. The book value at the date of transfer of the municipal license, which was acquired on March 5, 2004, taking into account tax-deductible amortizations, is 0 euros.

Determine the amount of the reduced capital gain derived from said operation.

Solution:

Transfer value: 60,000

Book value: 0

Capital gain = 60,000

Capital gain generated until 31-12-2014 [\(1\)](#)

$(60,000 \div 7,616) \times 3,954 = 31,150.21$

Applicable reduction $(31,150.21 \times 74\%) = 23,051.16$

Capital gain that can be deducted $(60,000 - 23,051.16) = 36,948.84$

Note to example:

(1) Its determination is made in proportion to the number of days that have passed between the acquisition date (05-03-2004) and 31-12-2014, inclusive, which amounts to 3,954 days, with respect to the total number of days that have passed between the acquisition date and the transfer date (10-01-2025), excluding the latter since it ceases to be part of the assets, which is 7,616 days. [\(Back\)](#)

3. Transfer of assets that have enjoyed freedom of amortization

Regulations: Thirtieth and Fifty-ninth Additional Provisions of the Law IRPFABBR

In cases of transfer in the 2025 tax year of vehicles or charging installations that have benefited from the freedom of depreciation provided for in the Eighteenth Additional Provision of the LIS, as well as in transfers of elements related to economic activities that have benefited from the freedom of depreciation for investments in tangible fixed assets and real estate investments related to economic activities, both with maintenance of employment (investments made in the years 2009 and 2010) and without the requirement of this requirement (investments made between January 1, 2011 and March 30, 2012), for the calculation of the capital gain or loss, the acquisition value will not be reduced by the amount of the tax-deducted depreciation that exceeds that which would have been tax-deductible had it not been applied.

The aforementioned excess (that is, the difference between the amortization carried out and the amount that would have been due) will be considered, for the transferor, as the full income from the economic activity in the tax period in which the transfer is made.

In the specific case of the transfer of certain vehicles and new charging infrastructure referred to in the Fifty-Ninth Additional Provision, this rule will apply regardless of the method used to determine the net income from the economic activity (whether [direct estimation](#) or [objective](#)).

Example: Transfer of asset-related elements subject to tax

Mr. BLT, a manufacturer of wooden furniture, who determines the net income of his activity in the simplified form of the direct estimation regime, transferred on June 30, 2025, for the amount of 210,000 euros a property related to his activity. On the occasion of the sale, the company paid 3,000 euros in Municipal Tax on Increase in Value of Urban Land and 10,000 euros to the real estate agency that mediated in the transaction.

The property was acquired by inheritance in 1985, with the declared value for the purposes of Inheritance and Gift Tax being an amount equivalent to 18,000 euros. In the file for verification of values carried out by the Tax Administration, said value was set at an amount equivalent to 45,000 euros.

The property was rented from its acquisition until December 31, 1997, and on January 1, 1998, the premises were allocated to the economic activity carried out by its owner. According to the IBI receipt, the cadastral value of the property in 1998 amounted to an amount equivalent to 54,000 euros, of which 40% corresponded to the value of the land.

Determine the amount and classification of the capital gain or loss obtained in said transfer, knowing that the owner of the activity has amortized said property using the maximum linear amortization coefficient established for the used assets.

Solution:

Determination of the capital gain or loss obtained :

Transmission value $(210,000 - 13,000) = 197,000$

Acquisition value:

Value of affectation: [\(1\)](#) = **54,000**

(-) Amortization: From 1998 to 2024: $3\% (60\% \text{ of } 54,000) \times 27 \text{ years} = 26,244$

(-) Amortizations for the year 2025: $1/2 [3\% (60\% \text{ s/} 54,000)] = 486$

Total amortizations: $(26,244 + 486) = 26,730$

Total acquisition value $(54,000 - 26,730) = 27,270$

Capital gain $(197,000 - 27,270) = 169,730$

Note to example:

(1) Since the property was allocated prior to 01-01-1999, the value of the property for the purposes of the Wealth Tax has been taken as the acquisition value. That is, the highest value of the following three: the cadastral one, the one declared for the purposes of the Inheritance and Gift Tax and the one verified by the Administration for the purposes of the latter tax. [\(Back\)](#)

Summary table of special rules

Special rules (summary table)

Type of operation	Valuation of profit or loss
Listed securities	The profit or loss will be determined by the difference between the acquisition value and the transfer value, the latter determined by the price on the date of transfer or the agreed price when it is higher. The acquisition value will be reduced by the amount obtained from the transfers of subscription rights made prior to January 1, 2017, with the exception of the amount of such rights that would have been taxed as capital gains.
Unlisted securities Shares and interests in the equity of companies not listed on Spanish stock exchanges	The gain or loss will be determined by the difference between the acquisition value and the transfer value, the latter being: • The amount actually paid (provided that it is proven that it is the value that would be established for that transaction between independent parties under normal market conditions). • Otherwise, it may not be less than the greater of: ◦ The value of the net assets corresponding to the transferred securities resulting from the entity's last balance sheet closed prior to the date of accrual of personal income tax. ◦ The value resulting from capitalizing at 20% the average of the profits of the last three fiscal years closed prior to the date of accrual of personal income tax.
Fully paid-up shares	The acquisition value of the transferred share and the original shares will be the result of distributing the total acquisition cost among all the shares, both old and released.
Transfer of preferential subscription rights arising from shares or interests in companies owned by the taxpayer	The amount obtained from the transfer of subscription rights derived from securities not admitted to trading and, since January 1, 2017, from those admitted to trading is considered capital gain for the transferor in the tax period in which said transfer occurs. The withholding tax to be applied on capital gains derived from the transfer of subscription rights is 19%.
Investment funds	The gain or loss will be determined by the difference between the acquisition value and the transfer value, the latter being, • The net asset value and, if none exists • The value of the net assets corresponding to the shares or interests transferred resulting from the last closed balance sheet

	(in the case of redemption of interests). When an investment made in one fund is transferred (total or partial transfer) to another fund, the capital gain or loss obtained will not be computed at that time, and the new shares or participations will retain the value and date of acquisition of those transferred. It applies to Spanish investment funds and those established in another EU country registered with CNMV. It does not apply to listed investment funds or listed index SICAV shares, nor when the amount of the refund or transfer is made available to the taxpayer.
Non-monetary contributions to companies	The gain or loss will be determined by the difference between the acquisition value and the transfer value, the latter being the greater of: • Nominal value of the shares or corporate interests received. • Market value of the securities received. • Market value of the asset or right contributed. Special tax deferral regime for certain contributions.
Separation of partners or dissolution of companies	The profit or loss will be determined by the difference between: • The value of the social liquidation share or the market value of the assets received, and • The acquisition value of the corresponding title or capital share.
Spin-off, merger or absorption of companies	The capital gain or loss will be determined by the difference between: • The acquisition value of the titles, rights or securities representing the partner's participation, and • The market value of the securities, cash or rights received or the market value of those delivered. Special tax deferral regime in certain cases.
Transfers	The capital gain will be computed for the transferor for the amount that corresponds to him in the transfer.
Compensation or insured capital for losses or incidents in assets	The gain or loss will be determined by the difference between the amount received, or the market value of the goods, rights or services received (if the compensation is not in cash) and the proportional part of the acquisition value that corresponds to the damage. When only the repair of the damage is covered, no capital gain will be computed for tax purposes.

Exchange of assets or rights, including exchange of securities	The capital gain or loss will be determined by the difference between the acquisition value and the transfer value, the latter being the greater of the following two: • The market value of the asset or right delivered. • The market value of the good or right received in exchange. Special case: exchange of land for apartments or premises to be built on it. Special tax deferral regime for the exchange of shares in certain cases.
Extinction of life or temporary annuities	For the person obliged to pay rent, the difference between the acquisition value of the capital received (in movable or immovable property) and the rents paid.
Transfer of assets in exchange for life or temporary annuities	The capital gain or loss will be determined by the difference between: • The actuarial financial present value of the income. • The acquisition value of the transferred asset.
Transfer or extinction of real rights of enjoyment over real estate	The capital gain or loss will be determined by the difference between: • The transfer value (which in the event of termination of the right is zero). • The acquisition value must be reduced by the amortization deducted if the right was leased. If the right is established on real estate that does not generate real estate capital returns, the right is consumed by use, so the acquisition value must be reduced proportionally to the time of use.
Incorporation of assets and rights that do not derive from transmission	The market value of these assets will be computed as capital gains.
Futures and options	Capital gain or loss is the return obtained when it is not a risk hedging operation in the development of economic activity.
Assets assigned to the activity or de-assigned less than three years in advance	The capital gain or loss will be determined by the difference between: • The transmission value. • The book value of the asset will be determined by: Acquisition value (or production cost or impact value) further: Improvements less: Depreciation + prior disposals + losses



The reduction coefficients of the transitional regime are not applicable to capital gains obtained.

Virtual currencies

Subject

Regarding **cryptocurrencies or virtual currencies**, section 5 of article 1 of Law 10/2010, of April 28, on the prevention of money laundering and the financing of terrorism (BOE of April 29), introduced on the occasion of the transposition of Directive (EU) 2018/843 of the European Parliament and of the Council, of May 30, 2018, defines them as follows mode:

"5. Virtual currency means a digital representation of value that is not issued or guaranteed by a central bank or public authority, not necessarily associated with a legally established currency and that does not have the legal status of currency or money, but which is accepted as a medium of exchange and can be transferred, stored or negotiated electronically ."

Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 amended Directive (EU) 2015/ 849, to add the legal definition of "virtual currency", incorporated by the aforementioned Law 10/2010. However, it should be noted that Directive (EU) 2015/849 has recently been amended by Regulation (EU) 2023/1113, of May 31, to eliminate the definition of virtual currencies and incorporate the much broader term of "cryptoassets" that covers different types of virtual assets, among which would be "cryptocurrencies", although said Regulation will be applicable from December 30, 2024. For its part, the concept of cryptoasset is defined in Regulation (EU) 2023/1114 (MiCA).

Taking into account this definition, virtual currencies ("cryptocurrencies") are considered, for tax purposes, as **intangible assets** , computable by units or fractions of units, which are not legal tender, that can be exchanged for other goods, including other virtual currencies, rights or services, if accepted by the person or entity transferring the good or right or providing the service, and that can be acquired or transmitted generally in exchange for legal tender .

Considering that each virtual currency has its origin in a specific computer protocol, different scope of acceptance, different liquidity, value and denomination, the different types of virtual currencies are different goods.

Information obligations related to holding and operating with virtual currencies

In order to improve tax control of taxable events that may arise from the holding of virtual currencies and the operations that could be carried out with them, as described in the previous point, Law 11/2021, of July 9, on measures for the prevention and fight against tax fraud, amended the Law of IRPFABBR to incorporate certain information obligations that have been subject to regulatory development in Articles 39 bis and 39 ter of RGAT, leading to the approval of models 172 and 173.

See in this regard Order HFP /887/2023, of July 26, approving form 172 "Informative declaration on balances in virtual currencies" and form 173 "Informative declaration on operations with virtual currencies", and establishing the conditions and procedure for their presentation (BOE of July 29).

Likewise, the obligation to report on virtual currencies located abroad is developed, which has determined the approval of model 721.

For more information you can consult the following [frequently asked questions document](#) about these models.

Buying and selling virtual currencies: taxation in the investor's personal income tax

Individuals, taxpayers of IRPFABBR They can buy and sell virtual currencies and when such operations are not carried out within the scope of an economic activity they can give rise to a capital gain or loss due to the difference between the transfer value and the acquisition value.

Depending on the type of transaction carried out, the following assumptions can be distinguished:

a) Exchange of virtual currencies for legal tender (fiat currency)

Regulations: Articles 35, 14 and 46.b) Law IRPFABBR

Subject

In accordance with article 1.6. of Law 10/2010, of April 28, on the prevention of money laundering and the financing of terrorism, “*exchange of virtual currency for fiduciary currency*” shall be understood as the purchase and sale of virtual currencies through the delivery or receipt of euros or any other foreign currency of legal tender or electronic money accepted as a means of payment in the country in which it was issued.

Capital gain or loss

The sale of virtual currencies in exchange for euros or other legal tender, carried out outside of an economic activity, **will give rise to a capital gain or loss** the amount of which will be determined by the difference between the respective **transmission and acquisition values**.

The capital gain or loss must be determined, for each sale of each type of cryptocurrency, by the difference between the amount in euros obtained from the sale (unless it is less than its normal market value on the date of sale, in which case the latter will prevail) and its acquisition cost in euros, determined, where applicable, by applying the exchange rate to euros of the currency in force on the date of acquisition of the cryptocurrency being sold, taking into account the expenses and taxes arising from carrying out said transactions, as referred to in Article 35 of the Law on the IRPFABBR provided that they are directly related to them and are satisfied by the taxpayer.

Identification of transmitted coins

Cryptocurrencies of a certain type, computable in units or fractions of units, originate from the same computer protocol and all of the same type possess the same characteristics, being equal to each other, which gives the different units or fractions of units of the cryptocurrency in question the nature of fungible goods and, therefore, homogeneous.

For the purposes of determining the corresponding capital gain or loss and to the extent that the Law of IRPFABBR It does not establish a different specific rule to identify, in the case of homogeneous virtual currencies (for example, bitcoin), those that are understood to be transferred; it must be considered that in the case of partial sales of virtual currencies that were acquired at different times and different values, those that are transferred are those acquired first (**FIFO criterion**).

Temporary imputation of capital gain or loss

According to Article 14 of the Law of IRPFABBR The gain or loss will occur when the taxpayer delivers the virtual currency under the purchase agreement, regardless of when the sale price is received, and therefore the capital gain or loss must be attributed to the tax period in which the delivery was made.

Income class

The amount of capital gains or losses that arise from the transfer of virtual currencies in exchange for money constitute **savings income** in accordance with the provisions of article 46. b) of the Personal Income Tax Law and are integrated and offset in the taxable savings base in the manner and with the limits established in article 49 of the same Law.

Operations involving the sale of virtual currencies in exchange for euros carried out outside of an economic activity must be included in the personal income tax return corresponding to the tax period in which said operations were carried out in the specific section "Capital gains and losses derived from the transfer or exchange of virtual currencies by individuals" of the return.

Summary:

- *Capital gain or loss.*
- *Amount: difference between transfer value and acquisition value*
- *Attributable to the fiscal year in which the currency is delivered under the sales contract.*
- *Savings income because it comes from the transfer of a patrimonial element*

b) Exchange of one virtual currency for another different one

Regulations: Articles 37.1.h), 14 and 46.b) Law IRPFABBR

Delimitation

The exchange of a virtual currency for another different virtual currency constitutes, to the extent that they are different goods, an exchange, in accordance with the definition contained in article 1,538 of the Civil Code, which provides: "*The exchange is a contract by which each of the contracting parties is obliged to give one thing to receive another*".

Capital gain or loss

Such exchange, when carried out outside of an economic activity, gives rise to an alteration in the composition of the assets, since an amount of one virtual currency is replaced by an amount of another different virtual currency, and on the occasion of this alteration a variation in the value of the assets is revealed, materialized in the value of the virtual currency that is acquired in relation to the value at which the virtual currency that is delivered in exchange was obtained.

Consequently, the exchange between different virtual currencies carried out by a taxpayer outside of an economic activity gives rise to the obtaining of income that is classified as capital gain or loss.

To quantify the capital gain or loss the specific valuation rule for the exchange provided for in article 37.1.h) of the Personal Income Tax Law is applied, according to which the capital gain or loss will be determined by the difference between the acquisition value of the virtual currency that is delivered and **the highest** of the following two:

- The market value of the virtual currency delivered.
- The market value of the good or right received in exchange.

For the purposes of subsequent transfers, the acquisition value of the virtual currencies obtained through exchange will be the value that the taxpayer has taken into account by applying the rule provided for in the aforementioned article 37.1.h) as the transfer value in said exchange.

As regards the market value corresponding to the virtual currencies being exchanged, it is the value that would correspond to the price agreed for their sale between independent subjects at the time of the exchange.

Identification of transmitted coins

Cryptocurrencies of a type, computable by units or fractions of units, have their origin in the same computer protocol and all of the same type have the same characteristics, being equal to each other, which gives the different units or fractions of units of the cryptocurrency in question the nature of homogeneous goods.

For the purposes of determining the corresponding capital gain or loss and to the extent that the Law of IRPFABBR does not establish a different specific rule to identify, in the case of homogeneous virtual currencies (for example, bitcoin), those that are understood to be transferred; it must be considered that in the case of partial sales of virtual currencies that were acquired at different times and different values, those that are transferred are those acquired first (**FIFO criterion**).

Temporary imputation of profit

This charge will be made in accordance with Article 14 of the Law of IRPFABBR, at the time the virtual currencies are exchanged.

Any loss of assets that may arise from an exchange between different virtual currencies must be accredited (at the request, where appropriate, of the tax management and inspection bodies) through the means of proof generally accepted by law.

Income class

The amount of capital gains or losses arising from exchange transactions between different virtual currencies constitute **savings income** in accordance with the provisions of article 46. b) of the Personal Income Tax Law and are integrated and offset in the taxable savings base in the manner and with the limits established in article 49 of the same Law:

Virtual currency exchange transactions carried out outside of an economic activity must be included in the personal income tax return corresponding to the tax period in which said transactions were carried out, which, where applicable, must be submitted by the taxpayer in the section "Capital gains and losses derived from the transfer or exchange of virtual currencies by individuals" of the return.

Summary:

- *The exchange between different virtual currencies gives rise to capital gains or losses.*
- *The alteration of assets is assessed using the specific rules for exchanges.*
- *The market value of the virtual currencies that are exchanged is the one that would correspond to the price agreed for their sale between independent subjects.*
- *Gains or losses are savings income .*

c) Capital losses. For non-return of deposited coins or bankruptcy of the virtual currency buying and selling platform

Regulations: Articles 14.2.k) and 45 Law IRPFABBR

In these cases, the amount of a loan not repaid at maturity does not automatically constitute a capital loss, as the creditor retains their right to payment, and must resort to the special rule of temporal imputation provided for in article 14.2.k) of the Law of IRPFABBR for these cases of uncollected credits.

Temporary imputation of loss

According to article 14.2.k) of the Law of IRPFABBR Capital losses arising from overdue and uncollected loans may be attributed to the tax period in which any of the following circumstances occur:

1. That a reduction established in a judicially comparable refinancing agreement referred to in article 71 bis and the fourth Additional Provision of Law 22/2003, of July 9, Bankruptcy, or in an extrajudicial payment agreement referred to in Title X of the same Law, becomes effective.

2. That, if the debtor is in a situation of bankruptcy, the agreement in which a reduction in the amount of the credit is agreed upon becomes effective in accordance with the provisions of article 133 of Law 22/2003, of July 9, Bankruptcy, in which case the loss will be computed by the amount of the reduction.

Otherwise, the bankruptcy proceedings may be concluded without the debt having been satisfied, except when the conclusion of the bankruptcy is agreed for the reasons referred to in sections 1, 4 and 5 of article 176 of Law 22/2003, of July 9, Bankruptcy.

3. That a period of one year has elapsed since the start of the judicial procedure other than bankruptcy proceedings that have as their object the enforcement of the credit without the credit having been satisfied.

When the credit is collected after the calculation of the capital loss referred to in this letter k), a capital gain will be imputed for the amount collected in the tax period in which said collection occurs.

Income class

Since it is a capital loss that has not been revealed in connection with transfers of assets, it will form part of the **general income**, which must be integrated into the **general taxable base** of the IRPFABBR (Articles 45 and 48 of the Law of IRPFABBR).

Summary:

- *The amount of a loan not repaid upon maturity does not constitute a capital loss.*
- *The special rule of temporal imputation provided for in article 14.2.k) of the Law applies IRPFABBR for these cases of uncollected credits.*
- *It will form part of the general income, and must be included in the general taxable base of IRPFABBR.*

Declaration and taxation of capital gains and losses

Regulations: Articles 44 to 46 of the Law IRPFABBR

For the purposes of calculating the tax, the taxpayer's income, which includes capital gains and losses, must be classified as general income or savings income and, consequently, will go to the general or savings tax base.

Capital gains and losses that make up the general tax base

Regulations: Art. 45 Law Income Tax

Capital gains and losses that do not arise from the transfer of assets part of the general tax base and must be declared in section F1 of the return. The following may be cited as examples:

a) Prizes obtained by participating in games, contests, raffles or random combinations

You must distinguish between:

- i. Prizes obtained by participating in games, raffles or random combinations **without advertising purposes**, in which losses may be compensated up to the limit of the profits obtained.
- ii. Prizes obtained by participating in games, raffles or random combinations **for advertising purposes**, in which losses cannot be compensated.

In both cases the prizes can be in cash or in kind; The former are subject to withholding and the latter to payment on account.

The declaration of the **cash prizes** subject to withholding will be made in section F1 of the declaration for the total amount of the prize, without deducting the withholding incurred which will be declared as such in the section of the declaration corresponding to withholdings and other payments on account.

The total amount to be declared for **prizes in kind** will be composed of the sum of the valuation of the prize received, which will be carried out at its market value, plus the payment on account, unless the latter has been passed on to the taxpayer. This amount may not be reduced, where applicable, by the costs of public deed and registration, as these constitute a higher acquisition value for the purposes of a future transfer of the prize received.

In any case, the capital gain derived from the prize will be attributed to the tax period in which it is payable in accordance with the rules of the competition.

b) Subsidies for the acquisition of officially protected or fixed-price housing .**c) Subsidies or aid intended for the down payment on the habitual residence or for the repair of structural defects in the habitual residence .****d) Public aid to owners of assets of the Spanish Historical Heritage registered in the General Registry of assets of cultural interest .**

The temporary imputation of the subsidies or aid mentioned above may be carried out in quarters in the tax period in which they are obtained and in the three following periods.

e) Public aid for the first installation of young farmers provided for in the National Framework for Rural Development aimed at the acquisition of a stake in the capital of agricultural companies

These may be imputed in quarters, in the tax period in which they are obtained and in the three following periods.

f) Capital gains obtained by residents in 2025 as a result of forestry activities in public forests.

This capital gain has been subject to a 19 percent withholding tax in 2025, so the amount of the latter must be declared in the section of the declaration corresponding to withholdings and other payments on account.

g) Public rental aid

Among them is the **Youth Rental Bonus**, regulated by Royal Decree 42/2022, of January 18, which regulates the Youth Rental Bonus and the State Plan for access to housing 2022-2025

The declaration of these amounts received in the form of the Youth Rental Bonus will be made in section F1 (Capital gains and losses that do not derive from the transfer of assets) of the declaration in box **[0303]**.

Precision: The Youth Rental Bonus is configured as an aid granted for a period of two years for an amount of 250 euros per month for young people up to thirty-five years of age included, in order to facilitate their emancipation. This aid is expressly compatible with the rental aid of the youth aid programme and to contribute to the demographic challenge, which consists of direct aid granted to young people up to thirty-five years of age and with limited financial means, in their condition as tenants or assignees, with the aim of facilitating access to the enjoyment of a decent and adequate home or room on a rental or transfer-for-use basis.

h) Aid of 200 euros for individuals with low income and assets

This aid called "Direct line of aid to individuals with low income and assets" was established by article 31 of Royal Decree-Law 11/2022, of June 25, which adopts and extends certain measures to respond to the economic and social consequences of the war in Ukraine, to address situations of social and economic vulnerability, and for the economic and social recovery of the island of La Palma (BOE of June 26), in order to alleviate the detrimental effect on prices caused by the energy crisis derived from the invasion of Ukraine, and that article 74 of Royal Decree-Law 20/2022, of December 27, on measures in response to the economic and social consequences of the War in Ukraine and to support the reconstruction of the island of La Palma and other situations of vulnerability (BOE December 28) established, for 2023, as an extraordinary measure, in a similar manner to that of Article 31 of Royal Decree-Law 11/2022.

For 2025, no measures like the previous ones have been approved; however, if the taxpayer had received the €200 aid in that tax period, you will have to include this amount in your 2025 Personal Income Tax return, pursuant to Article 14.2.c) of the Law on IRPFABBR, as it is considered a capital gain derived from public aid for its beneficiaries.

The declaration of this aid must be made under section F1 (Capital gains and losses not arising from the transfer of assets) in box **[0356]**.

Precision: This is a one-off payment aid, the amount of which is 200 euros, and whose beneficiaries are individuals who carry out an activity on their own or as an employee for which they were registered in the corresponding Social Security or mutual fund scheme, or were unemployed registered with the employment office, or beneficiaries or not of unemployment benefits or subsidies, provided that in 2022 they had received an income of less than 27,000 euros per year, and had assets of less than 75,000 euros per year.

The calculation of income and assets is carried out jointly, considering these amounts jointly with their spouse or registered civil partner in the civil partnership registry of the respective Autonomous Community or City, with those persons who could give the right to apply the minimum for descendants regulated in the Law of IRPFABBR as well as with ascendants up to the second degree by direct line who live in the same address. To determine these circumstances, the situation existing as of December 31, 2022 will be taken into account.

i) Thermal Social Bonus, aid created by Royal Decree-Law 15/2018, of October 5, on urgent measures for the energy transition and the protection of consumers (Official State Gazette of October 6), aimed at alleviating energy poverty in vulnerable consumers, with regard to energy intended for heating, hot water or cooking.

The declaration of this aid must be made in section F1 (Capital gains and losses that do not derive from the transfer of assets) in box **[0362]**.

Precision: It is configured as a direct aid of a single payment charged to the General State Budget, granted by the State through the Ministry for the Ecological Transition and the Demographic Challenge, although its management and payment correspond to the Autonomous Communities and Cities with Statute of Autonomy.

Its purpose is to complement the aid received in the form of the Electric Social Bonus, so the beneficiaries of said aid are those who, as of December 31 of the previous year, had also been beneficiaries of the Electric Social Bonus, provided for in Law 24/2013, of December 26, of the Electric Sector.

The amount will be determined based on your level of vulnerability as defined in the regulations governing the Electric Social Bonus, as well as the climate zone in which the home in which you are registered is located.

j) Other capital gains derived from public aid

The declaration of public aid other than that specified in the previous sections must be made in section F1 (Capital gains and losses that do not derive from the transfer of assets) in box [0301].

k) Youth Cultural Voucher, aid created by Law 22/2021, of December 28, on the General State Budget for the year 2022 (BOE of December 29), and whose temporal scope of application has been extended, with indefinite validity, by the one hundred and fourth Additional Provision of Law 31/2022, of December 23, on the General State Budget for the year 2023 (BOE December 24).

The amount of the bonus that has been enjoyed constitutes a capital gain not subject to withholding for its beneficiaries.

The declaration of the amount used from the voucher in the acquisition of cultural products and services will be made in section F1 (Capital gains and losses not derived from the transfer of assets) of the declaration in box [0323] called "Youth Cultural Voucher".

Precision: This is an aid of up to 400 euros per beneficiary that must be used to purchase cultural products and services offered by the entities that join the program. Its beneficiaries are those young people who have turned 18 during the year 2025 and meet the requirements established in Article 5 of Royal Decree 191/2023, of March 21, which establishes the regulations governing the Youth Cultural Voucher.

It is granted only once to each beneficiary and must be used within a maximum period of one year from the date of granting. The total amount granted will be paid in a single payment, in the form of a virtual prepaid card or physical card. After this period, the Youth Cultural Bonus will be automatically deactivated, and the collaborating entity will proceed to refund the amounts not used.

Therefore, only the amount charged to the Youth Cultural Voucher that has been used during the period for which it is granted (1 year) in the acquisition of cultural products and services is considered capital gain.

Remember: In the case of cultural vouchers granted by Autonomous Communities or local entities, their amount must be entered in box [0304]. Please note that these grants are implemented through the delivery of vouchers for discounts on cultural products and services.

k) Other capital gains attributable to 2025 such as, for example, late payment interest

The declaration of this gain must be made in section F1 (Capital gains and losses that do not derive from the transfer of assets), in box [0304] within the section corresponding to "Other capital gains and/or losses attributable to 2025", and will correspond to the amount received for this concept.

Precision: Regarding the late payment interest paid to the taxpayer by the Tax Agency when making a refund of undue payments, it is subject to, and not exempt from, the IRPFABBR, in accordance with the criteria established by the Supreme Court Judgment No. 24/2023, of January 12, issued in the appeal for cassation No. 2059/2020 (ROJ: STS 121/2023).

In this ruling, the Supreme Court has changed the previous criteria, establishing as doctrine that: *"the late payment interest paid by the Tax Agency when making a refund of undue payments" are subject to, and not exempt from, IRPFABBR, constituting a capital gain that constitutes general revenue, in accordance with the provisions of Article 46.b) of the Personal Income Tax Law, interpreted in the opposite sense."*

The same criterion applies to late payment interest paid by other Administrations, entities or subjects other than the Tax Agency, which, like the above, must be considered capital gains to be included in the general tax base.

Therefore, following Judgment No. 24/2023, of January 12, 2023, compensatory interest (in general) is classified as capital gain to be included in the general tax base, since, as stated by the Supreme Court, it has not been made evident on the occasion of the transfer of assets.

Capital gains and losses that make up the tax base of savings

Regulations: Article 46 of the Law IRPFABBR

Capital gains and losses that arise from transfers of assets form part of the taxable savings base and must be declared in the corresponding section of section F2 of the tax return.

The following may be cited as examples:

- **Capital gains and losses arising from transfers or reimbursements of shares or interests in collective investment institutions (investment companies and funds).**

These capital gains have been subject to withholding or advance payment of 19 percent in the 2025 financial year. The amount of these withholdings and payments on account must be declared in the section of the declaration corresponding to withholdings and other payments on account.

- **Capital gains and losses derived from shares or interests traded on official markets.**
- **Capital gains and losses arising from the transfer or exchange of virtual currencies by individuals.**
- **Capital gains and losses arising from the transfer of real estate and property rights over real estate.**

Capital gains and losses arising from the receipt of premiums paid for the granting of a purchase option contract .

The purchase option contract on a property is one in which one of the parties (grantor) grants the other (option holder) the exclusive power to decide whether or not to enter into a main contract of sale, which must be entered into within a certain period and under certain conditions, and may be accompanied by the payment of a premium or price by the option holder.

Through the purchase option contract, the option holder acquires a right consisting of deciding unilaterally to make the purchase, and the transferor has the corresponding obligation to sell the object for the agreed price and within the period established for exercising the option. The option

grantor is bound to maintain the offer within the predetermined period, within which the option holder may exercise his right, thereby extinguishing or consummating the purchase option, at the same time as the corresponding sales contract is perfected.

The granting of this purchase option (in exchange for the payment of a premium) represents an exercise and limitation of the "ius usandi" of its holder (in that the grantor undertakes not to dispose of the asset during the option period), which represents an alteration in the composition of the assets of the owner of the asset, a situation that may be included in the concept of alteration of assets in the personal income tax regulations, so the income obtained is a capital gain that is taxed independently of any gain that may be produced subsequently on the occasion of the formalisation of the sale.

The income obtained in exchange for offering the right to purchase (the contract premium) constitutes a gain whose imputation must be made, in accordance with the provisions of article 14.1 of the Personal Income Tax Law, in the tax period in which the right to purchase the property is formalized and its amount will be determined by the value actually paid, provided that it is not less than the market value, as there is no acquisition or improvement cost, because said alteration does not derive from a previous acquisition. The expenses and taxes inherent to the operation that have been paid by the grantor will be deducted from this value.

As regards the integration of capital gains that arise from the receipt of premiums paid for the granting of an option contract, Supreme Court Judgments No. 803/2022 and 804/2022, both dated June 21 (ROJ : STS 2599/2022 and STS 2598/2022, respectively) have established as a criterion its integration into the savings income defined in article 46 of the Personal Income Tax Law, since it implies a transfer, based on the "traditio", derived from the delivery of powers inherent to the right of ownership to which the owner temporarily renounces.

- **Capital gains and losses arising from transfers of other assets such as, for example, shares not admitted to trading, etc .**

Particular case: sale of second-hand goods on digital platforms

For the purposes of its taxation in IRPFABBR two types of sellers must be distinguished in sales transactions carried out through these platforms: individuals and those who carry out an economic activity.

- Transmission of used goods through digital platforms, by **private sellers**:

If they obtain capital gains from the sale or sales they make through platforms (that is, if they sell a product for a higher price than they acquired it for), they will be obliged to declare said capital gain in the IRPFABBR, in the boxes [1624] and following, in the section entitled "Capital gains and losses derived from transfers of other assets (to be included in the savings tax base)".

To determine said capital gain, the acquisition and transfer values will be those established in accordance with the provisions of Articles 35 et seq. of the Law of IRPFABBR.

However, unlike the above, capital losses (if the sale of used goods is carried out for an amount lower than the acquisition cost) arising from these sales will not be deductible as they derive from personal consumption, in accordance with the provisions of article 33.5 of the Law of IRPFABBR.

- Transmission of used goods through digital platforms, by **business or professional sellers**:

Taxpayers who conduct economic activity through digital platforms must pay taxes under the same conditions as any other economic activity, issuing an invoice with IVAABBR to the buyer for each item sold, and include the net income from their activity in their personal income tax return, according to the method of determining net income in which they find themselves (direct estimation or objective estimation).

For these purposes, please note that the Directive (EU) Council Regulation (EC) No 2021/514 of 22 March 2021, known as DAC 7, amending Directive 2011/16/ EU, imposes from 1 January 2024 on operators of digital platforms of the EU and external to the EU new registration and reporting obligations regarding sales and services carried out through them by some of their users.

This exchange of information within the framework EU This is complemented internationally by Spain's subscription to the Multilateral Agreement between Competent Authorities on the automatic exchange of information relating to income obtained through digital platforms within the scope of the Organisation for Economic Co-operation and Development (OECD), as well as other international agreements signed with the same objective.

In Spain, the transposition of both international standards has been carried out, at a legal level, through Law 13/2023, of May 24, which modifies Law 58/2003, of December 17, General Tax Law, introducing a new Additional Provision 25, which regulates the information and due diligence obligations related to the informative declaration of platform operators obliged in the field of mutual assistance and, at a regulatory level, through Royal Decree 117/2024, of January 30 and Order HAC /72/2024, of February 1, which approves models 040 to manage the registration, modification and deregistration of platform operators and 238 for the communication of information. You can find more information about this through this [link](#).

Thus, with regard to sales of tangible assets other than the leasing or temporary transfer of use of real estate (form 179), DAC 7 requires digital platform operators to inform the AEAT about those sellers who, during a calendar year, have completed more than 30 sales and generated more than 2,000 euros from these sales.

Special reference to public subsidies and aid that are classified as capital gains

SUBSIDIES AND PUBLIC AID

The following SUBSIDIES will be classified as capital gains:

a) When its acquisition is linked to a patrimonial element not affected by economic activity . Among other:

- Grants for the acquisition or rehabilitation of habitual housing (boxes **[0299]** and **[0300]**)
- Grants for the repair of structural defects in the habitual residence (box **[0300]**)
- Public aid for the payment of IBI (box **[0301]**)
- Public aid derived from the Renewal Plan of the goods in question (household appliances, boilers, windows, air conditioning etc .) (box **[0301]**)
- Public aid for the installation of ramps, elevators, even if they are installed to improve mobility (box **[0301]**)
- Public aid for the acquisition of sustainable vehicles (MOVES III 2025) when the beneficiaries are taxpayers of IRPFABBR who do not carry out any economic activity (box **[0301]**)

These public subsidies, although linked to an asset, do not derive from its transfer and, therefore, must be included in the declaration of IRPFABBR in section F1 within "Other capital gains and losses that do not derive from the transfer of assets."

b) When its obtaining is not linked to a patrimonial element, and is not classified as work or economic activity performance , for example:

- Public rental assistance (box **[0303]**)
- The "Aid of 200 euros to individuals with low income and assets" (box **[0356]**), regulated in article 74 of

Royal Decree-Law 20/2022, of December 27

- The "Thermal Social Bonus" (box **[0362]**)
- Youth Cultural Bonus (box **[0323]**)
- Other cultural vouchers (box **[0304]**)
- Public aid to the owners of assets comprising the Spanish Historical Heritage for their conservation or rehabilitation. (box **[0266]**)
- Public aid for the first installation of young farmers provided for in the National Framework for Rural Development aimed at the acquisition of a stake in the capital of agricultural companies. (box **[0279]**)

Earnings excluded from tax in reinvestment cases

Regulations: Art. 38 Law IRPFABBR

Transfer of the habitual residence with reinvestment of the amount obtained in another habitual residence

Exemption

Regulations: Articles 38.1 Law IRPFABBR41 RegulationIRPFABBR

Capital gains obtained from the transfer of the taxpayer's habitual residence may be exempt, **when the total amount obtained from the transfer is reinvested in the acquisition of another habitual residence under the conditions indicated below:**

Without prejudice to the foregoing, please note that the exemption from capital gains derived from the transfer of the habitual residence by persons over 65 years of age or by persons in a situation of severe or great dependency is discussed in the section "[Exempt capital gains](#)" of this same Chapter.

For these purposes **the rehabilitation of** the home is considered to be the same as its acquisition, and works on it that meet any of the following requirements are considered as such:

- That these are subsidized actions** in the area of housing rehabilitation under the terms provided for in Royal Decree 233/2013, of April 5, which regulates the State Plan for the promotion of housing rental, building rehabilitation, and urban regeneration and renewal, 2013-2016.
- Those whose main objective is the reconstruction of the dwelling** by consolidating and treating the structures, facades or roofs and other similar works, provided that the overall cost of the rehabilitation operations exceeds 25% of the purchase price if this had been carried out during the two years immediately prior to the start of the rehabilitation works or, otherwise, the market value of the dwelling at the time of said start. For these purposes, the proportional part corresponding to the land will be deducted from the purchase price or market value of the home.

Therefore, for the works to be considered rehabilitation, it will be necessary first of all that the majority of the amount of the work is destined to the consolidation or treatment of structural elements of the building (structures, facades, roofs or similar structural elements), without including in said concept the works of

readaptation, redistribution, reconditioning and improvement or reform of the home, such as redistribution of interior space, change or modernization of plumbing, heating, electricity, gas, flooring, tiling, carpentry, lowering ceilings, etc.

Likewise, the taxpayer can also obtain the tax benefit of the reinvestment exemption if he allocates the amounts obtained from the sale of the habitual residence to pay the price of a **new habitual residence under construction, including the possibility of self-promotion.**

Case of self-promotion after the transfer of the habitual residence

In accordance with the doctrine established by the Supreme Court Ruling No. 1098/2020, of July 23, 2020, filed in the administrative appeal no. 4417/2017 (ROJ : STS 2698/2020) in the case of reinvestment in future construction, two requirements must be met for the reinvestment exemption to apply:

- 1) That the entire amount received from the sale of the previous home be applied to the construction of the new home, within the reinvestment period of two years following the sale of the former primary residence.
- 2) That the requirements of Article 55 of the Regulations are met IRPFABBR in the wording in force as of December 31, 2012, in accordance with the eighteenth transitional provision of the Law of IRPFABBR and the twelfth transitional provision of the Regulation of IRPFABBR. For this purpose, the completion of the works must be accredited within a period of four years, unless an extension is provided for in sections 3 and 4 of article 55 of the Regulation of IRPFABBR.

Consequently, the exemption will not apply when the interested party has not proven that the works were completed and delivered to him within the four-year period established by regulation, counting from the start of the investment, unless said period has been extended in accordance with the provisions of paragraphs 3 and 4 of Article 55 of the Regulation IRPFABBR.

According to the above, the application of the entire amount received from the sale of the previous home to the construction of the new home can be made within the reinvestment period of two years from the sale of the former primary residence and also in the two years prior to said sale, so payments not made within this period will not be considered reinvested amounts. Furthermore, the housing must be completed within the time limits established in Article 55 of the Regulation IRPFABBR, which will be calculated from the first payment made for the construction of the home that is considered a reinvested amount for the purposes of the exemption for reinvestment in a main residence.

Case of self-promotion prior to the transfer of the main residence

For the purposes of applying the reinvestment exemption, the transfer of the property must take place within two years after the acquisition of the new property, taking into account the provisions of Article 5.1 of the Civil Code, according to which periods set in years are calculated from date to date.

In cases where the construction work is carried out directly by the taxpayer, the acquisition date is understood to occur upon completion of the work. In cases of self-promotion, the cost of the construction work and the completion date of the works must be verifiable by any legally valid means of proof, the assessment of which corresponds to the management and inspection bodies of the Tax Administration. If the completion date of the works cannot be proven, the date of the deed of declaration of new construction will be taken as the acquisition date.

Special case: Transfer of primary residence with outstanding amounts to be paid off

When the taxpayer has used external financing to acquire the transferred dwelling, the total amount obtained in the transfer will be considered, exclusively for these purposes, as the transfer value under the terms provided for in the Law of IRPFABBR less the outstanding principal of the loan. In these cases, therefore, partial reinvestment is not considered to exist, even if part of the amount obtained from the transfer of the property has been used to repay the outstanding loan.

Requirements and conditions for the application of the exemption

The exemption does not apply automatically, but the taxpayer must express his/her willingness to benefit from it and is conditional on the fact that both the transferred and the acquired or, where appropriate, the rehabilitated dwelling are considered to be a habitual residence, as well as the reinvestment being carried out within the time periods and under the conditions indicated in the following sections:

Principal Residence item

Regulations: Twenty-third Additional Provision of the Law IRPFABBR and 41 bis Regulation IRPFABBR. See also art. 55.5 Regulation IRPFABBR, as worded on December 31, 2012

For the purposes of applying this exemption:

1. The taxpayer's habitual residence is considered to be **building** in which the taxpayer **resides for a continuous period of at least three years** .

According to this definition, within the concept of habitual residence regulated in the IRPFABBR This includes all types of buildings, even if they do not comply with the urban planning regulations for the building or are located on land that does not have the required classification for building, regardless of the classification it may have in the Property Registry. However, for the building to be considered a habitual residence, it must be adapted or capable of being adapted as a residence, and meet the requirements of ownership, effective residence and permanence by the taxpayer required by the Tax regulations; Once converted into a dwelling, it will be eligible for all the tax benefits established by the IRPFABBR for primary residences in general, with the same requirements, conditions and limitations.

- **Acquisition of undivided property: calculation of the three-year period.**

In relation to the tax benefits related to the habitual residence, in the cases of acquisition of the property in undivided ownership, having the taxpayer resided uninterruptedly in the home since its acquisition, to calculate the three-year period to determine whether or not the property is considered a habitual residence,

the date on which the acquisition of the undivided share occurred must be taken into account, without having significance for these purposes the date on which the remaining share was acquired until completing 100% of the ownership of the common property due to the division of the common property, the dissolution of the community of property, the termination of the matrimonial economic regime of participation or the dissolution of community property or separation of co-owners. (Resolution of the TEAC of September 10, 2015, Claim number 00/06331/2013, issued in extraordinary appeal for unification of criteria).

- **Full ownership for a continuous period of 3 years.**

The Supreme Court's ruling of December 12, 2022, issued in appeal number 7219/2020, (RED : STS 4569/2022), establishes as an interpretative criterion that for the application of the reinvestment exemption for the purposes of IRPFABBR it is not sufficient that the taxpayer has held bare ownership of the property being transferred for part of the continuous period of at least three years; rather, full ownership is required for the entire period, as stated in Article 38 of the Law on Capital Gains. IRPFABBR "It requires that the transferred property has been their habitual residence for a continuous period of at least three years and that they have held full ownership of it during that period, and that bare ownership is not a sufficient title for such purposes."

However, it will be understood that the dwelling had a habitual character when, despite not having elapsed said period, the death of the taxpayer occurs or other circumstances occur that necessarily require the change of domicile, such as marriage, marital separation, job transfer, obtaining the first job or change of job or other similar justified circumstances.

The regulatory expression "circumstances that necessarily require a change of address" implies an obligation to change said address. The term "necessarily" is an adverb that, according to the Dictionary of the Royal Academy, means with or by necessity or precision. In turn, the term "need" can indicate everything that is impossible to escape, lack or resist. Even more enlightening is the noun precision, included in the definition of "necessarily," since it implies an obligation or indispensable need that forces and requires one to do something. Finally, one of the definitions of "necessary" confirms the above: It is said of something that is done and executed due to something else, as opposed to voluntary and spontaneous.

Consequently, its application requires considering whether, in a given situation, changing domicile is an option for the taxpayer or is beyond his or her will or convenience; That is to say, the fact that one of the listed circumstances or other similar ones occurs is not decisive in itself, nor does it simply constitute an exception to the general requirement of effective residence for three years. In the first case, that is, if the taxpayer retains the possibility of choosing, there will not be a circumstance that allows for an exception to the three-year period and, therefore, if the taxpayer decides to change address, the home will not be considered habitual. Along the same lines, it can be stated that if the concurrence of circumstances analogous to those listed in the twenty-third Additional Provision of the Law is proven IRPFABBR The three-year period may be waived, provided that the requirements also include a change of address.

2. In order for the acquired dwelling to constitute the habitual residence of the taxpayer, it must be effectively and permanently inhabited by the taxpayer himself, within a period of twelve months, counted from the date of acquisition or completion of the works.

However, it will be understood that the acquired dwelling does not lose its habitual character when the following circumstances occur:

- **When the taxpayer dies.**

In the event of the taxpayer's death before the reinvestment period expires, that is, without having acquired the new primary residence, after having opted to benefit from the reinvestment exemption, and having committed to reinvest the sale proceeds in the acquisition of a new primary residence, this cannot be considered a breach of the reinvestment requirement to which the taxpayer had committed.

- **When other circumstances occur that necessarily prevent the occupation of the dwelling under the terms provided above.**

- When the taxpayer enjoys a habitual residence due to position or employment and the acquired residence is not used, in which case the twelve-month period will begin to count from the date of cessation.

When the dwelling has been effectively and permanently inhabited by the taxpayer within a period of twelve months, counted from the date of acquisition or completion of the works, the three-year period to consider it as the taxpayer's habitual **will be computed from this last date**

Occupation within twelve months.

Regarding this requirement of occupancy of the habitual residence within the twelve months established by article 41 bis of the Regulation of IRPFABBRPlease note that this is not an additional requirement for the building to be considered as a primary residence, but rather it extends the deduction for investment in housing, since the taxpayer may apply the deduction even if they do not reside in it, provided they occupy it within that period. This deduction, however, will not be consolidated until the residence acquires the status of habitual residence, which, as we have said, will occur when the taxpayer resides there for a continuous period of three years.

3. For the exclusive purposes of applying the exemption, it will be understood that the taxpayer is transferring his habitual residence when it constitutes his habitual residence at that time or would have been considered as such **until any day of the two years prior to the date of the transfer.**

Compliance with this requirement:

- **Case of separated or divorced spouses**

Please note the interpretative criteria established by the Supreme Court in its ruling No. 553/2023, of May 5, filed in administrative appeal no. 851/2021 (ROJ : STS 2021/2023), according to which "in situations of separation, divorce or annulment of marriage that have determined the cessation of effective occupation as a habitual residence for the spouse who must leave the habitual residence for such reasons, the requirement of effective occupation of the habitual residence at the time of the transfer or on any day of the two years prior to it, which is required by section 3 of art. 41 bis of the Regulation of IRPFABBR" It will be considered fulfilled when such a situation occurs in the spouse who remained in the same." Therefore, the exclusive effects of the application of the exemptions provided for in articles 33.4. b) and 38 of the Law of IRPFABBR It will be understood that the taxpayer who had to leave the family home due to the allocation of its use to the other spouse is transferring the home when, for the spouse who remained in it, it constitutes their home at that time or had been considered as such until any day of the two years prior to the date of transfer.

- **Assumption of a lease with option to purchase**

By virtue of the option contract, one of the parties, granting the option, grants the other, beneficiary of the option, the so-called right of option or better "power of configuration" insofar as it is a power that allows the holder to configure in the future a legal relationship in his favor that allows him to decide, within a certain period of time and unilaterally, the conclusion of a contract, which in the case of the purchase option, is a contract of sale. Once the purchase option is exercised, the contract by which it was granted is consummated and the sale is perfected (See in this regard STS no. 1012/2003 (ROJ STS 6894/2003), of November 5, 2003).

Therefore, in accordance with Article 41 bis.3, provided that the option is exercised within two years of the home ceasing to be the habitual residence of the couple, it will be understood that the transferred home is their habitual residence and therefore the reinvestment exemption will be applicable when the amount obtained is reinvested in a new habitual residence within the specified period.

Other requirements and conditions for the application of the exemption

A. Total or partial reinvestment

The reinvestment of the amount obtained from the transfer in the acquisition of a new home may be total or partial.

To apply the exemption for reinvestment, it is not necessary to use all the money obtained from the sale of the previous home, it being sufficient to apply for the same purpose money borrowed from a third party, either directly or as a result of subrogation in a loan previously contracted by the transferor of the property. Therefore, in order to consider the reinvestment to have been made, the entire acquisition value of the new home will be taken into account, regardless of whether its amount has been paid or financed, and if the acquisition value of the new home is equal to or greater than that of the old home, the reinvestment will be total. Otherwise, it will be partial (Supreme Court ruling no. 1230/2020, of October 1, 2020, issued in administrative appeal no. 809/2019 - ROJ STS 3049/2020-).

When the amount of the reinvestment is less than the total amount obtained from the transfer, only the portion of the capital gain corresponding to the amount effectively reinvested is excluded from the tax, under the conditions outlined previously.

Please note that in the case of partial reinvestment, the proportional part of the capital gain obtained will be excluded from taxation, once the exemption provided for in the Thirty-Seventh Additional Provision of the Law has been applied, if applicable. IRPFABBR (50 percent exemption of the capital gain obtained from the transfer of real estate acquired between May 12, 2012 and December 31, 2012), corresponding to the amount reinvested, under the terms and conditions provided for the exemption for reinvestment of main residence.

B. Reinvestment Period

The reinvestment of the amount obtained from the sale must be carried out, in one go or , over a period of no more than two years, counted from date to date, which may be only subsequent but also to the sale of the previous habitual residence.

The reinvestment to which this exemption is conditioned does not entail investing in the new home exactly the money obtained specifically and directly from the transfer of the former habitual residence, (...). What the Personal Income Tax regulations seek to benefit through this exemption is that the taxpayer invests within two years, prior or after the sale, an amount equivalent to the total amount obtained from the transfer, which would give rise to a total exemption of the gain, or where appropriate, a partial exemption in proportion to the amounts reinvested within said two-year period. Resolution of the extraordinary appeal for the unification of criteria of the TEAC dated September 11, 2014, Claim number 00/02463/2013 , issued in an extraordinary appeal for the unification of criteria.

The reinvestment is not made after the deadline if the sale was made in instalments or at a deferred price, provided that the amount of the instalments is used for the stated purpose within the tax period in which they are received.

Criteria for determining the date of home acquisition (reinvestment)

The acquisition of housing must be understood in a legal sense, that is, when it occurs in accordance with the provisions of Article 1,462 of the Civil Code, which provides:

"The thing sold will be deemed delivered when it is placed in the power and possession of the buyer.

When the sale is made by means of a public deed, the granting of the deed will be equivalent to the delivery of the thing that is the object of the contract, unless the contrary is clearly stated or deduced from the deed itself."

Furthermore, in order to determine the date of acquisition, it must be taken into consideration that Spanish law, according to the Supreme Court and the majority opinion of the doctrine, includes the theory of title and mode, such that *"the record of a contract of sale in a private document does not transfer ownership by itself if the*

tradition of the thing sold is not accredited" (Judgment of April 27, 1983). Tradition can be carried out in many ways, including for real estate: the delivery and possession of the thing sold, the delivery of the keys or titles of ownership or the granting of a public deed; This granting, as provided by the Civil Code, is equivalent to delivery provided that the contrary does not result or is inferred from it.

In no case is the date of signing of an earnest money contract synonymous with the concept of required acquisition. Consequently, if the acquisition (legal acquisition) does not occur within the two-year period, the taxpayer will lose the right to exempt from tax the capital gain generated, if applicable, by the transfer.

C. Option to apply the exemption

In relation to the specific method or form through which the option for the reinvestment exemption must be expressed, the following situations must be distinguished:

- a. **Reinvestment produced in the same year in which the capital gain is obtained or in the two previous years** . In this case, no formal obligation is required in relation to the option for exemption, provided that the application of the same is not denied by any other circumstance in the declaration of the same fiscal year or of the following ones.
- b. **Reinvestment produced in the following two fiscal years** . When the taxpayer intends to reinvest in the following two years, he/she must state in the declaration for the year in which he/she obtains the capital gain his/her intention to reinvest under the conditions and time limits established by regulation, completing section F2 and the corresponding section of Annex C.2 for additional information in the declaration form.

Completion of the corresponding section of Annex C.2, which is a formal obligation, is not, however, of a substantial or obligatory nature in order to apply the exemption for reinvestment, provided that the application of the exemption is not denied by any other circumstance in the declaration for the same or subsequent fiscal years.

See in this regard the Resolution of the TEAC of September 8, 2016, Claim number 00/06371/2015 , issued in an extraordinary appeal for unification of criteria.

Furthermore, regarding the application of the exemption for reinvestment in a primary residence, please note the recent doctrine established by the TEAC in its Resolution of March 31, 2025, Claim number 00-06769-2024:

"With effect for periods in which the purchaser of a home can no longer claim the "deduction for investment in a main residence" after Law 16/2012, of December 27, which adopts various tax measures aimed at consolidating public finances and boosting economic activity, the possibility of including the capital gain obtained from the transfer of the main residence under the exemption for reinvestment in another main residence provided for in Article 38.1 of Law 35/2006, of November 28, on Personal Income Tax and partial amendment of the Corporate Income Tax, Non-Resident Income Tax and Wealth Tax laws, is not an option under Article 119.3 of Law 58/2003, the General Tax Law, but a right of the taxpayer, which the taxpayer may exercise by filing the Personal Income Tax return for the year in which that capital gain was obtained, or with after that time, requesting the rectification of the self-assessment declaration initially submitted for that year."

Therefore, this criterion is applicable to homes acquired from 01/01/2013 onwards, since the taxpayer cannot take advantage of the transitional regime of deduction for investment in main residence, so the reinvestment exemption ceases to meet the requirements to be considered a "tax option". For those acquired prior to that date, the deduction can be applied, but not together with the reinvestment exemption. It should be remembered that Article 68.1.2 of the Personal Income Tax Law established as a limit that the amounts that were to constitute the basis of said deduction had not benefited from the reinvestment exemption; The taxpayer must choose between applying the exemption or the deduction, with respect to the concurrent amounts.

D. Non-compliance with reinvestment conditions

Failure to comply with any of the reinvestment conditions will result in the taxation of the corresponding portion of the capital gain.

In such case, the taxpayer must allocate the non-exempt portion of the capital gain to the year in which it was obtained, by carrying out a supplementary self-assessment including late payment interest.

This last declaration must be submitted within the period between the date on which the breach occurs and the end of the regulatory declaration period corresponding to the tax period in which said breach occurs.

A careful distinction must be made between whether the breach affects the reinvestment period or the reinvested amount. In the latter case, the right to exemption from the capital gain obtained corresponding to the reinvested amount is not lost.

Example:

Mr. MGB, 56 years old, transfers his main residence in 2025 for an amount of 95,000 euros. The property was purchased in 1995 for an amount equivalent to 60,000 euros, including the costs and taxes inherent to the acquisition. The acquisition was financed by a mortgage loan, of which an amount of 4,000 euros remains to be repaid at the time of sale.

Of the amount obtained from the sale, 4,000 euros are allocated to the repayment of the outstanding loan.

In the same year, 2025, he bought a new main residence for an amount of 91,000 euros, investing the rest of the amount obtained from the sale of his previous home for this purpose.

Determine the amount of exempt capital gains from reinvestment.

Solution:

Transfer value: 95,000

Acquisition value: 60,000

Capital gain $(95,000 - 60,000) = 35,000$

Exempt capital gains from reinvestment: 35,000

Capital gains subject to tax: 0

Note to example: Given the existence of a mortgage loan on the property transferred, the amount that must be reinvested to obtain full exemption from the capital gain obtained is the difference between the transfer value (95,000 euros) and the amount allocated to the outstanding repayment of the mortgage loan (4,000 euros), that is, 91,000 euros, the amount that has actually been reinvested.

Transfer of shares or participations for which the deduction had been made for investment in new or recently created companies with reinvestment of the amount obtained in another new or recently created entity

Exemption

Regulations: Art. 38. 2 and Thirty-eighth Additional Provision of the Law IRPFABBR; art. 41 Regulation IRPFABBR

Capital gains arising from the transfer of shares or holdings are declared exempt. **for which the deduction for investment in newly created or recently created companies provided for in article 68.1 of the Law of IRPFABBR**

The exemption will only apply when the amount obtained from the aforementioned transfer is **reinvest in the acquisition of shares or stakes in another newly created or recently established entity that meet the requirements and conditions set out in numbers 2, 3 and 5 of article 68.1 of the Law of IRPFABBR** (requirements regarding the entity in which the investment is made, with respect to the shares and holdings acquired and formal requirements) that are discussed in the section "[Tax deduction for investment in newly created or recently established companies](#)" of Chapter 16, to which we refer."

Requirements and conditions for the application of the exemption

The requirements and conditions for the application of this exemption are as follows:

A. Total or partial reinvestment

The exemption may be total, if the total amount obtained from the transfer of the shares is reinvested, or partial when the reinvested amount is less than the total amount received from the transfer. In the latter case, only the proportional part of the capital gain obtained that corresponds to the reinvested amount will be excluded from taxation.

B. Reinvestment period

The reinvestment of the amount obtained from the sale must be carried out, **in one go or successively**, in a period **not exceeding one year from the date of transfer** of the shares or interests.

C. Reinvestment in a year other than that of disposal

When the reinvestment is not made in the same year as the sale, the taxpayer will be obliged to state this in the tax return. IRPFABBR of the year in which the capital gain is obtained, their intention to reinvest under the conditions and deadlines indicated.

D. Excluded assumptions

exemption for reinvestment will not apply:

- When the taxpayer has acquired homogeneous securities in the year before or after the transfer of the shares. In this case, the exemption will not apply to securities that remain in the taxpayer's assets.
- When the shares are transferred to the spouse, or to relatives in a direct or collateral line, by consanguinity or affinity, up to the second degree included.
- When the shares or interests are transferred to an entity in respect of which any of the circumstances established in article 42 of the Commercial Code occur with the taxpayer or with any of the persons mentioned in the previous point.

E. Non-compliance with reinvestment conditions

Failure to comply with any of the reinvestment conditions will result in the taxation of the corresponding portion of the capital gain.

In such case, the taxpayer must allocate the non-exempt portion of the capital gain to the year in which it was obtained, by carrying out a supplementary self-assessment including late payment interest.

The supplementary self-assessment must be submitted within the period between the date on which the breach occurs and the end of the regulatory declaration period corresponding to the tax period in which said breach occurs.

Transfer of assets by taxpayers over 65 years of age with reinvestment of the amount obtained in annuities

Exemption

Regulations: Art. 38.3 and Ninth Additional Provision of the Law IRPFABBR; art. 42 Regulation IRPFABBR

Capital gains that arise from the transfer of assets by taxpayers over 65 years of age are exempt from tax, provided that the total amount obtained from the transfer is used to create an insured life annuity in their favor. ##

Please note that the exemption for reinvestment in life annuities is also applicable to capital gains derived from the transfer of assets assigned to economic activities, as well as those obtained through entities in the attribution of income when the member of the entity makes the reinvestment in compliance with the required conditions.

Requirements and other conditions for the application of the exemption

Requirements of the insured annuity

- a. **The life annuity contract must be signed between the taxpayer, who will be the beneficiary, and an insurance company .**

In life annuity contracts, reversal mechanisms or certain benefit periods or counter-insurance formulas may be established in the event of death once the life annuity has been established.

The **reversal mechanism** in insurance contracts is the procedure by which, in the event of the death of the insured (who in this case is the policyholder and beneficiary), all or part of the life annuity is transferred to a new insured and beneficiary.

Life annuity insurance contracts with **certain benefit periods** are those in which it is guaranteed that the income will be received for a minimum number of years even if the insured and initial beneficiary of the income dies (logically, in the event of the death of the insured, the income will be received by the beneficiary designated for that purpose).

Finally, the **counterinsurance formulas** (the most used in insurance practice) are those that guarantee the designated beneficiary a capital amount in the event of the death of the insured.

However, in order to ensure that the application of the reinvestment profit exemption provided for in Article 38.3 of the Law of IRPFABBR To fulfill the intended purpose, contracts entered into after April 1, 2019, which establish reversion mechanisms, certain benefit periods or counter-insurance formulas in case of death, are required to comply with the following requirements (Ninth Additional Provision of the Regulation IRPFABBR):

- In the case of reversal mechanisms in the event of the death of the insured, there may only be one potential beneficiary of the reversing life annuity.
- In the case of certain benefit periods, said periods may not exceed 10 years from the establishment of the life annuity.
- In the case of counter-insurance formulas, the total amount to be received upon the death of the insured may at no time exceed the following percentages with respect to the amount allocated to the creation of the life annuity:

Years since the establishment of the life annuity	Applicable percentage
1st	95 percent
2nd	90 percent
3rd	85 percent
4th	80 percent
5th	75 percent
6th	70 percent
7th	65 percent
8th	60 percent

Years since the establishment of the life annuity	Applicable percentage
9th	55 percent
10th and above	50 percent

Important : *The new requirements established for cases in which there are reversal mechanisms, certain benefit periods or counter-insurance formulas in the event of death on insured life annuity contracts will not apply to life insurance contracts entered into prior to April 1, 2019, regardless of whether the life annuity is established after that date.*

- b. **The life annuity must have a periodicity of less than or equal to one year** , must begin to be received within one year from its establishment, and the annual amount of the income may not decrease by more than 5% compared to the previous year.
- c. **The taxpayer must inform the insurance company that the life annuity being contracted constitutes the reinvestment of the amount obtained** from the transfer of assets, for the purposes of applying the exemption provided for in this article.

Other requirements and conditions for the application of the exemption

A. Maximum reinvestment limit

The maximum total amount whose reinvestment in the creation of life annuities will give the right to apply the exemption **will be 240,000 euros** .

If, as a result of the reinvestment of the amount of a transfer in a life annuity, taking into account previous reinvestments, **the amount of 240,000 euros** is exceeded, only **the amount of the difference between 240,000 euros and the amount of previous reinvestments will be considered reinvested**.

B. Reinvestment period

The life annuity must be established within **six months** from the date of transfer of the asset.

However, when the capital gain is subject to withholding and the transfer value reduced by the amount of the withholding is entirely used to establish a life annuity within the aforementioned six-month period, **the period for allocating the amount of the withholding to the establishment of the life annuity will be extended until the end of the year following the one in which the transfer is made**.

C. Reinvestment in a year other than that of disposal

When the reinvestment is not carried out in the same year of the sale, the taxpayer will be obliged to state in the declaration for the year in which the capital gain is obtained his intention to reinvest under the conditions and deadlines indicated, completing for this purpose section F2 of the declaration and the corresponding section of Annex C.2 of additional information of the declaration model.

D. Partial reinvestment

When the reinvested amount is less than the total amount received in the transfer, only the proportional part of the capital gain obtained that corresponds to the reinvested amount will be excluded from taxation.

E. Non-compliance with the conditions of reinvestment or anticipation, in whole or in part, of the economic rights derived from the life annuity established

Failure to comply with any of the conditions established in this article, or the advance, in whole or in part, of the economic rights derived from the established life annuity, will determine the subjection to taxation of the corresponding capital gain.

In such case, the taxpayer will impute the non-exempt capital gain to the year in which it was obtained, by filing a supplementary self-assessment, including late payment interest, which will be submitted within the period between the date on which the breach occurs and the end of the regulatory declaration period corresponding to the tax period in which said breach occurs.

Example: reinvestment in annuities

Mrs. PPG On March 7, 2025, he sells shares of the company "XX" that are listed on the Stock Exchange for an amount of 50,000 euros. These shares were acquired in 1997 for the sum of 20,000 euros.

In August 2025, a lifetime annuity is established by paying a premium of 50,000 euros.

In September, he also sold a property he had acquired in 1999 for 110,000 euros, including the costs and taxes inherent to the acquisition, for 250,000 euros.

The amount obtained from the sale is also used to establish the life annuity.

Determine the amount of exempt capital gains from reinvestment.

Solution:

1. Transfer of shares of company "XX"

Transfer value: 50,000

Acquisition value: 20,000

Capital gain $(50,000 - 20,000) = 30,000$

Exempt capital gains from reinvestment: 30,000

2. Transfer of the property

Transfer value: 250,000

Acquisition value: 110,000

Capital gain $(250,000 - 110,000) = 140,000$

Exempt capital gains [\(1\)](#) $(190,000 \times 140,000) \div 250,000 = 106,400$

Note to example:

(1) Since the maximum amount to be reinvested in a life annuity is 240,000 euros and the amount of the transfer exceeds, considering previous reinvestments, this amount, only the amount of the difference between 240,000 euros and the amount of previous reinvestments will be considered reinvested, that is, 190,000 euros $(240,000 - 50,000)$.

Since the amount considered reinvested (190,000 euros) is less than the total amount received in the transfer (250,000 euros), only the proportional part of the capital gain obtained that corresponds to the reinvested amount will be excluded from taxation. [\(Back\)](#)

Temporary imputation of capital gains and losses

Attribution of capital gains and losses incurred in 2025

General criteria

Regulations: Art. 14. 1. c) Law IRPFABBR

The declaration and determination of the amount of capital gains and losses must be made and attributed to the tax period in which the change in assets occurs.

Special criteria

Regulations: Art. 14.2.c), d), g), i), j) and k) Law IRPFABBR

A. Deferred price or installment transactions

In these cases, **the taxpayer may choose to proportionally impute** the capital gains or losses produced, as the corresponding collections become due.

Transactions with a deferred price or term will be considered those whose price is received, totally or partially, through successive payments, provided that the period elapsed between the delivery of the asset or the provision of the asset or right and the expiration of the last installment is greater than one year.

When the payment of a transaction in installments or with a deferred price has been carried out, in whole or in part, through the issuance of exchange bills and these were transferred definitively before their maturity, the income will be imputed to the tax period of its transfer.

Note: the exercise of the option for the temporary imputation of the application of the deferred collection criterion will be carried out, element by element, in the section "Capital gains and losses with deferred price pending imputation in future years" of Annex C.1 of the declaration.

In no case will operations derived from life annuity or temporary annuity contracts be treated in this way for the transferor. When assets and rights are transferred in exchange for a life or temporary annuity, the capital gain or loss for the annuitant will be attributed to the tax period in which the annuity is established.

B. Public aid

In general: Capital gains derived from **public aid** will be imputed to the tax period **in which they are collected** , without prejudice to the **options** listed below:

- **Public aid received as compensation for structural defects in the habitual residence** . When such aid is intended for the repair of the habitual residence **it may be imputed in quarters** in the tax period in which it is obtained and in the following three.

Precision: This criterion is introduced, with effect from 1 January 2015, by Law 26/2014, of 27 November, which modifies Law 35/2006, of 28 November, on Personal Income Tax (BOE of 28 November). Previously, the administrative criterion in these cases established the imputation at the time when the grantor communicated the concession to the applicant, regardless of the time of payment. However, if, in accordance with the requirements of the grant, the payment of the subsidy became due after the year of its communication, the profit generated by the subsidy had to be attributed to the tax period in which the corresponding amount was due.

- **Direct state aid for down payment on housing** . Aid included in the scope of state plans for access, for the first time, to home ownership, received by taxpayers, from 1 January 2002, through a single payment in the form of Direct State Aid for Entry (AEDE), **may be imputed in quarters** in the tax period in which they are obtained and in the following three.
- **Public aid to owners of assets of the Spanish Historical Heritage registered in the General Registry of assets of cultural interest** . These grants, intended exclusively for their conservation or rehabilitation, **may be imputed in quarters** in the tax period in which they are obtained and in the following three, provided that the requirements established in Law 16/1985 of June 25, on the Spanish Historical Heritage, are met, in particular with regard to the duties of visiting and publicly exhibiting said assets.
- **Since January 1, 2020, public aid for the first installation of young farmers** provided for in the National Framework for Rural Development of Spain **that is intended** for the acquisition of a **share in the capital of corporate agricultural companies. may be imputed in quarters in the tax period in which they are obtained and in the three following** .

Note: Also from January 1, 2020, the [public aid for the first installation of young farmers](#) provided for in the National Framework for Rural Development of Spain that is not intended for the acquisition of a stake in the capital of corporate agricultural companies, may be imputed as **income from economic activities** in quarters, in the tax period in which they are obtained and in the three following ones.

C. Overdue and uncollected credits

Capital losses arising from overdue and uncollected credits may be charged to the tax **in which** of the following circumstances occur:

1. That a reduction established in a **judicially approved refinancing agreement** referred to in article 71 bis and the fourth Additional Provision of Law 22/2003, of July 9, Bankruptcy or in an **out-of-court payment agreement** referred to in Title X (articles 231 to 242 bis) of Law 22/2003, of July 9, Bankruptcy and, since September 1, 2020, Title III of the second book (articles 631 to 694) of Royal Legislative Decree 1/2020, of May 5, which approves the revised text of the Bankruptcy Law, becomes effective.

Since September 1, 2020, the refinancing agreement and the out-of-court payment agreement were governed by the provisions of articles 697 to 720 of the consolidated text of the Bankruptcy Law, as amended by Royal Legislative Decree 1/2020, of May 5.

However, since September 26, 2022, Law 16/2022, of September 5, reforming the consolidated text of the Bankruptcy Law (BOE of September 6), **replaces refinancing agreements and out-of-court payment agreements with a new institution, restructuring plans**, which brings together both, although with some adaptations for debtors with fewer assets, lower turnover or fewer employees. Restructuring plans, their approval, judicial approval and the challenge regime are regulated in Title III of Book Two of the consolidated text of the Bankruptcy Law.

2. That, if the debtor is in a situation of bankruptcy, **the agreement in which a reduction is agreed** in the amount of the credit in accordance with the provisions of article 133 of Law 22/2003, of July 9, Bankruptcy, becomes effective, in which case the loss will be computed by the amount of the reduction.

As of September 1, 2020, articles 393, 394 and 395 of Royal Legislative Decree 1/2020, of May 5, approving the revised text of the Bankruptcy Law, must be taken into account.

In another case If the debt reduction is not agreed upon, the loss can be attributed **when the insolvency proceedings conclude without the debt having been satisfied** unless the conclusion of the insolvency proceedings is agreed upon for the following reasons referred to in sections 1, 4 and 5 of article 176 of Law 22/2003, of July 9, on Insolvency and, from September 1, 2020, in sections 1, 3 and 5 of article 465 of Royal Legislative Decree 1/2020, of May 5, which approves the consolidated text of the Insolvency Law:

- Once the Provincial Court's decision revoking the bankruptcy declaration on appeal is signed.

- At any stage of the procedure, when payment or deposit of all the recognised credits or full satisfaction of the creditors by any other means is verified or when the situation of insolvency no longer exists.
- Once the common phase of the competition has concluded, when the resolution accepting the withdrawal or waiver of all recognized creditors becomes final.

3. **That the period of one year** has elapsed since the start of the judicial procedure other than those of bankruptcy that have as their object the execution of the credit without it having been satisfied.

When the credit is collected after the capital loss has been calculated, a capital gain will be recorded for the amount collected in the tax period in which said collection occurs.

D. Income pending imputation

Regulations: Articles 14.3 and 4 Personal Income Tax Law and 63 Regulation IRPFABBR

1. Loss of taxpayer status due to change of residence

In the event that the taxpayer loses his status due to a change of residence, all income pending imputation must be integrated into the tax base corresponding to the last tax period to be declared for personal income tax, with a supplementary self-assessment being carried out, where appropriate, without any penalty, late payment interest or surcharge.

However, if the change of residence occurs **to another Member State of the European Union** The taxpayer is given the option of applying the previous rule or of submitting, as each of the pending income items is obtained, a supplementary self-assessment without penalty, late payment interest or any surcharge, corresponding to the last period that must be declared by the IRPFABBR. The self-assessment must be submitted within the declaration period for the tax period in which said income should have been imputed had the loss of taxpayer status not occurred.

Also, take into account the special regime for capital gains due to change of residence under Article 95 bis of the law of IRPFABBR which is discussed in the section "[Special regime: Capital gains from change of residence](#)" of this Chapter.

2. Death of the taxpayer

In the event of the taxpayer's death, all income pending imputation must be included in the tax base of the last tax period to be declared.

Attribution of capital gains and losses incurred in years prior to 2025

Regulations: Articles Law 45 and 46 IRPFABBR

The allocation of capital gains or losses incurred in years prior to 2025 will be carried out in the current year in accordance with the following rules:

a) Gains and losses arising from transfers of assets made in installments or with deferred payment .

Whatever the period of generation of the capital gain or loss produced in previous years by installment or deferred price operations whose collection occurs, totally or partially, in the 2025 financial year, the imputation is made to the savings tax base. For this purpose, section F2 of the declaration must be completed.

b) Capital gains and losses not derived from transfers of assets.

The imputation to be made to the current fiscal year will be made in the general tax base, completing the boxes in section F1 of the declaration, as appropriate.

Examples of the aforementioned capital gains include prizes that are paid in instalments, as well as the aforementioned public aid that is subject to imputation in quarters in the tax period in which they are obtained and in the three following periods.

Allocation of capital gains derived from affected elements received in years prior to 2002 to the tax benefit of deferral for reinvestment

Capital gains derived from taxable items accrued in fiscal years prior to 2002 which, through reinvestment of the amount obtained from the acquisition of taxable items, have benefited from deferred imputation and must be declared in the current fiscal year, will be included in the corresponding section of heading F2 of the declaration, regardless of the original generation period of the capital gain obtained at the time.

For these purposes, in accordance with the regulations in force as of December 31, 2001 (article 21 of Law 43/1995, of December 27, on Corporation Tax and article 34 of the Corporation Tax Regulations, approved by Royal Decree 537/1997, of April 14), the amount of profits not included in the tax base of the year in which they were accrued will be incorporated in the general part of the tax base of the tax period in which the assets in which the reinvestment takes place are amortized, provided that they are amortizable assets.

In this case, the profit that proportionally corresponds to the amount of the amortization of the assets in relation to their acquisition value or production cost will be integrated into the general part of the tax base of each tax period.

The amount of the amortization will be the amount that must be considered tax deductible, and cannot be less than the result of applying the coefficient resulting from the maximum amortization period established in the officially approved amortization tables.

In the event that the net income of the activity is determined using the objective estimation method, the maximum period established in the officially approved amortization tables must be taken as the amortization period for these purposes.

Individualization of capital gains and losses

Regulations: Art. 11.5 Law IRPFABBR

Capital gains and losses obtained in the year

Regulations: Art. 11.5 Law IRPFABBR

To determine who should be attributed the capital gains and losses accrued in the financial year, the Law of IRPFABBR It establishes a general rule and a special rule.

General rule

A. When ownership of the assets or rights is proven

Capital gains and losses are considered to be obtained by the person who owns the assets, rights and other assets from which they come, and it is said person who must declare them.

In cases where ownership of the assets or rights corresponds to several persons, the income will be considered to be obtained by each of them in proportion to their participation in said ownership.

In the case of marriage, and in accordance with this general rule, capital gains and losses derived from assets and rights that, in accordance with the provisions or agreements regulating the corresponding matrimonial economic regime, are common to both spouses, will be attributed equally to each of them, unless they justify another share of participation.

On the contrary, capital gains or losses derived from private property or rights correspond to the spouse who owns them.

Free contribution of a private asset by one of the spouses to the community property

The contribution made by one of the spouses to the community property of a private asset is considered, after said contribution, to be owned equally by both spouses. For the contributor, this represents an alteration in the composition of their assets capable of generating a capital gain or loss. IRPFABBR in accordance with the provisions of Article 33.1 of the Law of IRPFABBR, which will be determined, pursuant to Article 34 of said Law, by the difference between the acquisition and transfer values of half of the contributed asset. See in this regard the TEAC Resolution of January 23, 2024. Claim number 00/020204/2023, filed in an extraordinary appeal for unification of criteria.

B. When the ownership of assets or rights is not duly accredited

When the ownership of assets or rights is not duly accredited, the tax authorities shall have the right to consider as the owner the person who appears as such in a tax register or other public register, to whom the capital gains or losses derived from said assets or rights shall be attributed.

Unjustified profits will be imputed according to the ownership of the assets or rights in which they are expressed.

This includes assets or rights whose possession, declaration, or acquisition does not correspond to the income or assets declared by the taxpayer, as well as the inclusion of non-existent debts in any declaration made by the taxpayer. IRPFABBR or by the Wealth Tax, or its registration in the official books or records. For these purposes, unjustified profits will be integrated by the tax authorities into the general taxable base of the tax period in which they are discovered, unless the taxpayer sufficiently proves that he or she has been the owner of the corresponding assets or rights since a date prior to the limitation period. (Art. 39 Law IRPFABBR).

To refute the classification of a capital gain as unjustified under Article 39 of the Personal Income Tax Law, the taxpayer must prove the origin or source of the assets, that is: where they come from by identifying the means of transmission of the goods or rights, from whom they proceed by identifying the person who transmits them, and why they are transmitted, proving the legal transaction by which ownership of the assets and rights that alter the composition of the patrimony is transferred. Interpretive criterion established by the Supreme Court in the fifth legal basis of Judgment No. 1,537/2025, of November 27, issued in the contentious-administrative appeal No. 5514/2023 (RED : STS 5384/2025). And in the same sense, Judgment No. 1,539/2025, of the same date (RED : STS 5378/2025).

Note: Please note that Article 39 of the Personal Income Tax Law has been amended by the Fifth Final Provision of Law 5/2022, of March 9, which modifies Law 27/2014, of November 27, on Corporate Income Tax, and the revised text of the Non-Resident Income Tax Law, approved by Royal Legislative Decree 5/2004, of March 5, in relation to hybrid asymmetries, as a result of the Judgment (CJEU) of January 27, 2022 (case C-788/19) which required certain aspects of the legal regime associated with the obligation to declare assets and rights abroad (form 720) to be adapted to European law.

In marriage cases, the Supreme Court has established the following interpretative criterion: In order to establish the individual tax status of unjustified capital gains referred to in the second paragraph of Article 11.5 of the Personal Income Tax Law and in order to determine the ownership of the assets or rights in which the unjustified gain is manifested, the provisions regulating the applicable matrimonial property regime must be taken into account, which will imply, where appropriate, the application of the presumption referred to in Article 1361 of the Civil Code. See the interpretative criterion set out in its FJ 4. by the Supreme Court in Judgment No. 977/2025, of July 15, issued in appeal No. 6622/2023 (RED : STS 3493/2025).

Note: Capital gains or losses derived from elements related to the development of economic activities will be attributed according to the rules previously mentioned, so that, in the case of affected joint property, the capital gain or loss obtained will be attributed equally to both spouses.

Special rule

According to the special rule, capital gains consisting of acquisitions of assets and rights that do not derive from a prior transfer, such as gambling winnings and similar cases, are attributed to the person who has the right to obtain them or who has earned them directly.

In the case of capital gains arising from a subsidy, they will be attributed solely to the taxpayer to whom the subsidy was granted, regardless of the use made of it.

See in this regard the resolution of the TEAC of June 1, 2020, Claim number 00/00670/2019, issued in an extraordinary appeal for unification of criteria.

Capital gains or losses from previous years

Capital gains from previous years that, by applying the special criteria for temporary imputation, must be declared in the current year will be attributed in accordance with the individualization rules discussed above.

The offsetting of the net negative balance of capital gains and losses from >2021 to 2024 will be carried out as follows:

- a. **In individual taxation**, the compensation must be made by the taxpayer to whom it corresponds, in accordance with the individualization rules previously discussed.
- b. **In joint taxation**, the offset must be made in the declaration, regardless of the member of the family unit to whom it corresponds.

The same concepts determined in joint taxation will be offset exclusively, in the case of subsequent individual taxation, by those taxpayers to whom they correspond according to the rules on individualization of these incomes previously discussed.

Special scheme: Capital gains due to change of residence

Regulations: Article 95 bis of the Law IRPFABBR

Introduction and scope of application

Regarding the tax reform that it introduces in the IRPFABBR Law 26/2014, of November 27 (BOE of November 28) highlighted especially the figure, known as the "exit tax" or "exit tax", conceived by the legislator as an instrument to prevent tax evasion and a measure to guarantee tax revenues.

The departure tax that is set in the IRPFABBR It aims to tax the "latent" capital gain generated by the ownership of shares or holdings of the taxpayer who loses such status due to the change of residence, even if said gain has not yet materialized because said shares or holdings have not been transferred, since the movement of a natural person to another country transfers the taxing power to the latter, resulting, when dealing with financial assets of a high amount, in a significant loss of tax revenue for the country of origin (Spain).

Area of application: subjective and objective requirements

The positive differences between the market value of the shares or holdings of any type of entity owned by the taxpayer and their acquisition value will be considered as capital gains when the following requirements are met:

a) Subjective requirements

It applies in the event that the taxpayer loses his status due to a change of residence, provided that said taxpayer had had such status for at least ten of the fifteen tax periods prior to the last tax period that must be declared for this tax.

In the case of workers who have opted for the special tax regime applicable to workers posted to Spanish territory, the ten-year period will begin to be computed from the first tax period in which the special regime is not applicable.

b) Objective requirements

For the application of this regime, it is also necessary that any of the following circumstances occur:

- a. That the **market value** of the shares or participations exceeds, jointly, **4,000,000 euros**.
- b. When the above is not met, that on the accrual date of the last tax period to be declared for this tax the **percentage of participation** in the entity is greater than **25 percent** , provided that the market value of the shares or participations in the aforementioned entity **exceeds 1,000,000 euros** .

In this case, the special regime will only apply to capital gains corresponding to the shares or interests referred to in this circumstance.

General rules

As indicated, in this case, capital gains are considered to be the **positive differences** between the **market value of the shares or interests** of any type of entity owned by the taxpayer, **and their acquisition value** .

For the calculation of the aforementioned capital gain, the following will be taken into account **the market value of the shares or holdings on the accrual date of the last tax period** that must be declared by the IRPFABBR, determined according to the following rules:

a) Securities admitted to trading on any of the regulated securities markets defined in Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments and representing equity participation in companies or entities **shall be valued at their market price**.

Directive 2004/39/ EC has been repealed with effect from 3 January 2017 by Directive 2014/65/ EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments. This, in its article 94, provides that references to Directive 2004/39/ EC will be understood as references to Directive 2014/65/ EU

b) Securities not admitted to trading in any of the regulated securities markets defined in Directive 2014/65/ EU , of the European Parliament and of the Council, of May 15, 2014, relating to the markets in financial instruments, and representative of the participation in own funds of companies or entities, **will be valued, unless proof of a different market value, by the greater than the following two** :

- The net worth corresponding to the values resulting from the balance sheet for the last financial year closed prior to the accrual date of IRPFABBR.
- The one resulting from capitalizing at a rate of 20 percent the average of the results of the three fiscal years closed prior to the accrual date of IRPFABBR.

For this purpose, dividends distributed and allocations to reserves, excluding those for adjustment or updating of balance sheets, will be recorded as profits.

Note: Please note that although article 95 bis of the Personal Income Tax Law refers to Directive 2004/39/ EC , this has been repealed with effect from January 3, 2017 by the Directive 2014/65/ EU , of the European Parliament and of the Council, of May 15, 2014, on financial instrument markets. This, in its article 94, provides that references to Directive 2004/39/EC will be understood as references to Directive 2014/65/EU.

c) The shares or interests representing the capital or assets of collective investment institutions will be valued by:

- The **net asset value** applicable on the accrual date of the last tax period to be declared for this tax or, failing that, the last published net asset value.
- When there is no liquidation value, the **value of the net assets** corresponding to the shares or interests resulting from the balance sheet for the last fiscal year closed prior to the aforementioned accrual date will be taken, unless there is proof of a different market value.

Temporary attribution and tax return and deposit

Capital gains must be included in the taxable base corresponding to the last period that must be declared for Personal Income Tax (IRPF), by making a corrective self-assessment, without penalty, late payment interest or any surcharge, within the tax declaration period corresponding to the first year in which the taxpayer did not have such status as a result of the change of residence.

Regarding the criteria for imputation due to change of residence to another country, see article 14.3 of the Personal Income Tax Law.

Note: In the 2025 amended self-assessment, capital gains due to a change of residence outside of Spanish territory must be declared in the section corresponding to part F4 of the declaration.

However, if the taxpayer regains the status of taxpayer without having transferred ownership of the shares or holdings, they may submit a corrective self-assessment in order to obtain a refund of the amounts paid corresponding to the capital gains declared under this special regime.

The corrective self-assessment may be submitted from the end of the declaration period corresponding to the first tax period that must be declared for this tax.

As regards the payment of late payment interest, it will accrue from the date on which the payment was made until the date on which the refund payment is ordered.

Special rules

Regulations: Article 122 of the Regulations IRPFABBR

Postponement of debt payment due to temporary displacements

a. Situations that give rise to a change of residence and allow for deferral of payment

The tax authorities, upon request of the taxpayer, may defer payment of the tax debt corresponding to the capital gains referred to in this section when the change of residence is due to one of the following situations:

- For a temporary transfer for work reasons to a country or territory that is not considered a tax haven.
- For any other reason, provided that, in this case, the temporary transfer takes place to a country or territory that has signed with Spain an agreement to avoid international double taxation that contains an information exchange clause.

In said deferral, the provisions of the LGT and its implementing regulations will apply, and specifically with regard to the accrual of interest and the establishment of guarantees for said deferral.

See articles 65 and 82 of Law 58/2003, of December 17, General Tax Law (LGT) and articles 44 to 54 (both inclusive) of the General Collection Regulation, approved by Royal Decree 939/2005, of July 29. Specifically, regarding the establishment of guarantees and the accrual of interest for deferrals, take into account articles 48 and 53 of the General Collection Regulations.

For the purposes of establishing guarantees, these may be established, in whole or in part, as long as they are legally and economically sufficient, on the values affected by the gains from change of residence to which this special regime is applicable.

b. Specialties of postponement

The deferral of tax debt will be governed by the rules provided for in the General Collection Regulations, approved by Royal Decree 939/2005, of July 29, with the following specialties:

- a. Applications must be submitted within the declaration period of IRPFABBR corresponding to the first year in which the taxpayer did not have such status as a result of the change of residence, and the application must indicate the country or territory to which the taxpayer transfers their residence.
- b. The deferral will expire no later than June 30 of the year following the end of the five-year period after the last year that must be declared by the IRPFABBR.

However, if the aforementioned period has been extended as indicated below, the expiration of the deferral will be extended until June 30 of the year following the end of the new period.

- c. In the event that the transfer is made for work reasons, a supporting document of the employment relationship that motivates the transfer issued by the employer must be provided.
- d. If the taxpayer transfers ownership of the shares or holdings before the end of the five-year period following the last year that must be declared by the IRPFABBR Due to a change of residence, the deferral will expire within two months from the transfer of the shares or holdings.

c. Period of deferral

The debt deferral will be granted for five years.

However, when circumstances exist that justify a temporary relocation for work purposes to a country or territory that is not considered a [non-cooperative jurisdiction](#) (whose duration does not allow the taxpayer to acquire the status of taxpayer for this tax again within the period of five years following the last one that must be declared for the IRPFABBR) The taxpayer may request the Tax Administration to extend the aforementioned period in order to prolong the expiry date of the deferral.

The extension may in no case exceed five additional years.

d. Request for extension of deadline

The application must be submitted within **three months prior to the end of the five fiscal years following** the last one in which this tax must be declared.

The application must state the **reasons justifying the extension of the displacement**, as well as the period of time considered necessary to regain the status of taxpayer for this tax and must be accompanied by the corresponding justification.

In view of the documentation provided, the tax authorities will decide on the appropriateness of the requested extension, as well as on the years subject to extension.

Applications for extension that are not expressly resolved within three months may be deemed to be rejected.

e. Extinction of the debt subject to deferral

In the event that the taxpayer again acquires the status of taxpayer for this tax at any time within the period of five years following the last one for which this tax must be declared without having transferred ownership of the shares or interests, the tax debt subject to deferral will be extinguished, as well as any interest that has accrued.

The aforementioned extinction will occur at the time of filing the declaration for the first year in which this tax must be paid.

In this case, the cost of any guarantees that may have been established will not be reimbursed.

Specialties for change of residence to other States of the European Union or the European Economic Area

Regulations: Art. 123 Regulations IRPFABBR

When the change of residence occurs to another Member State of the European Union, or of the European Economic Area **with which there is an effective exchange of tax information, in the terms provided for in section 4 of the First Additional Provision of Law 36/2006, of November 29**, on measures for the prevention of tax fraud, the taxpayer may choose to apply the following **specialties** to capital gains:

a) Capital gains will only be subject to self-assessment when within the period of ten years following the last one that must be declared by the IRPFABBR any of the following circumstances occur:

1. That shares or interests be transmitted inter vivos.
2. That the taxpayer loses the status of resident in a Member State of the European Union or the European Economic Area.
3. That the communication obligation referred to in letter c) of this section is not fulfilled.

The capital gain will be attributed to the last tax period that must be declared by the IRPFABBR where applicable, a self-assessment may be submitted that modifies the one initially submitted, without penalty, late payment interest, or any surcharge.

The self-assessment must be submitted within the period between the date on which any of the aforementioned circumstances occur and the end of the immediately following tax declaration period or within the tax declaration period corresponding to the first fiscal year in which the taxpayer did not have such status as a result of the change of residence, if this were later.

b) In the event that the shares or participations referred to in number 1 of letter a) above are transferred inter vivos within the period of ten financial years following the change of residence, **the amount of the capital gain will be reduced by the positive difference between the market value of the shares or participations and their transfer value**.

For these purposes, the transfer value will be increased by the amount of the distributed profits or any other receipts that would have determined a reduction in the net assets of the entity after the loss of taxpayer status, unless such receipts were taxed by the Non-Resident Income Tax.

c) The taxpayer must notify the tax authorities of the option to apply the special features referred to in the previous letters, the capital gain made manifest, the State to which he/she transfers his/her residence, indicating the address, as well as subsequent variations, and the maintenance of the ownership of the shares or interests.

d) If the ten-year period elapses without any of the circumstances provided for in letter a) of this section having occurred, it will not be necessary to self-assess the gain.

Exercising the option to apply the specialties

The option for the application of the above specialties will be exercised by the taxpayer by means of communication to the Tax Administration through form 113, approved by Order HAP /2835/2015, of December 28 (BOE of December 30) in which the following data will be stated, among others:

- Identification of the shares or interests that give rise to capital gains due to change of residence.
- Market value of shares or interests.
- State to which residence is transferred, indicating the address, as well as any subsequent changes in address.

The notification must be submitted within the period between the date of travel and the closing date for the declaration of the IRPFABBR corresponding to the first year in which the taxpayer did not have such status as a result of the change of residence.

Specialties for change of residence to a country or territory considered a non-cooperative jurisdiction

When the change of residence occurs to a country or territory classified as a non-cooperative jurisdiction and the taxpayer does not lose their status in accordance with article 8.2 of the Law of IRPFABBR The following will apply **specialties**:

- a. Capital gains will **imputed to the last tax period in which the taxpayer has his habitual residence in Spanish territory, and the market value of the shares or interests on the accrual date of said tax period will be taken into account for calculation.**
- b. In the event that shares or interests **transferred in a tax period in which the taxpayer maintains such status, to calculate the capital gain or loss corresponding to the transfer** the market value of the shares or interests that would have been taken into account to determine the capital gain provided for in this article will be taken as the acquisition value.

See in this regard the definition of non-cooperative jurisdiction contained in the First Additional Provision of Law 36/2006, of November 29, on measures for the prevention of tax fraud and discussed in the section called " [List of countries and territories of non-cooperative jurisdiction](#) " in Chapter 10 of this Manual.

Practical case

Mr. JPC During the 2025 financial year, the following tax-relevant transactions were carried out:

- On March 3, 2025, it sold 11,2568 shares in the "X" investment fund. NIF G83000000, for 15,800 euros, less the expenses inherent to the transfer paid by the same. These shares were acquired on 10-05-2004 for an amount of 15,000 euros, including acquisition costs.
- On July 1, 2025, he sold an apartment located at 10 Toledo Street in Madrid for 150,000 euros, paying 1,900 euros in Municipal Tax on the Increase in Value of Urban Land.

The flat was purchased on 20-12-1994 for an amount equivalent to 90,000 euros, this being the amount declared as the taxable base for the purposes of the Property Transfer Tax. The expenses inherent to the acquisition paid by the purchaser in January 1995, for notary fees, registration and transfer tax, amounted to an amount equivalent to 8,000 euros.

The cadastral value of the flat in 1994 was equivalent to 27,000 euros, of which 40% corresponded to the value of the land. Mr. JPC He rented the apartment in 1995 and 1996. The property's cadastral reference is 0042807VK4704A0003KI.

- On July 16, 2025, he proceeded to transfer 1,000 shares of TSA, which is listed on the Stock Exchange, obtaining an amount of 12,000 euros, after deducting the expenses inherent to the sale. These shares were acquired on 25-05-2015, for an amount of 16,800 euros, including the costs incidental to said acquisition.
- On August 16, 2025, it proceeds to acquire 1,000 homogeneous shares of TSA, for 16,500 euros, including the incidental costs of acquisition.
- On June 23, 2009, it acquired preferred shares originally issued by a savings bank for an amount of 15,500 euros. In February 2012, it accepted an offer to purchase these securities for an amount equivalent to 100% of their nominal value, which was applied to the simultaneous subscription of 5,000 shares of the ZK bank into which the financial business of the Savings Bank was integrated. On 14-11-2025, he sold all the shares for an amount of 6,560 euros.

Determine the amount and classification of capital gains or losses obtained by the taxpayer in the 2025 tax year, taking into account that no transfer of assets has been made since January 1, 2015, to whose gain the ninth transitional provision of the Law would apply. IRPFABBR.

Solution:

1. Transfer of shares in the investment fund "X":

Transfer value: 15.800

Acquisition value: 15,000

Capital gain $(15,800 - 15,000) = 800$

Qualification and declaration of capital gains

Since the capital gain arises from the transfer of shares in a movable investment fund, it must be declared in the subsection "Capital gains and losses subject to withholding or payment on account arising from transfers or reimbursements of shares or interests in collective investment institutions (investment companies and funds)" of section F2 of the declaration.

2. Floor transmission:

Transmission value $(150,000 - 1,900) \text{ (1)} = 148,100$

Cost price $\text{(2)}: 96.380$

Capital gain $(148,100.00 - 96,380.00) = 51,720$

Reducible capital gain (generated until 19-01-2006)

$(51,720 \times 4,049) \div 11,151 \text{ (3)} = 18,779.87$

Number of years of permanence as of 31-12-1996: 3 years

Reduction due to abatement coefficients $(18,779.87 \times 11.11\%) = 2,086.44$

Reduced capital gain $(51,720 - 2,086.44) = 49,633.56$

Qualification and declaration of capital gains

When deriving the capital gain from the transfer of a capital asset (real estate), it is included in the taxable base for savings and must be declared in the subsection "Capital gains and losses derived from the transfer of real estate and real rights over real estate" in section F2 of the declaration.

3. Sale of shares with repurchase of homogeneous securities:

Transfer value: 12,000

Acquisition value: 16.800

Capital loss $(12,000 - 16,800) = - 4,800$

Qualification and declaration of capital loss

When deriving the capital loss from a transfer of shares traded on official markets (to be included in the savings tax base), it should be declared in the subsection "Capital gains and losses derived from transfers of traded shares or participations" of section F2 of the declaration. However, since a repurchase of homogeneous shares has taken place within the period established by law (two months), this loss cannot be included in the declaration for the fiscal year itself, but rather in the declaration for the fiscal year in which the total or partial transfer of the acquired shares takes place.

4. Sale of shares received through exchange of preferred stock securities

Transfer value: 6.560

Acquisition value: 15,500

Capital loss (6,560 - 15,500) = - 8,940

Qualification and declaration of capital loss

Since the capital loss is derived from a transfer of shares traded on official markets that were received through the exchange of preferred share securities (to be included in the taxable savings base), it must be declared in the subsection "Capital gains and losses derived from transfers of traded shares or interests" of section F2 of the declaration.

Notes to the example:

(1) The amount paid for the Municipal Tax on the Increase in Value of Urban Land has been deducted from the transfer value. [\(Back\)](#)

(2) The acquisition value is determined as follows:

- Actual acquisition amount: (90,000): +90,000

- Expenses and taxes: (8,000): +8,000

- Amortization for 1995 and 1996 $[(1.5\% \times 90,000 \times 0.6) \times 2] = -1.620$

Total acquisition value (90,000+8,000-1,620) = 96,380

The depreciation for the years 1995 and 1996 has been calculated on the value of the flat for the purposes of the Wealth Tax, excluding the value corresponding to the land. This value, according to the specifications contained in the Real Estate Tax receipt, represents 40 percent of the total. Likewise, the percentage of 1.5 percent has been used to calculate these amortizations, as this was the one that corresponded according to the provisions of the previous Regulation of IRPFABBR. [\(Back\)](#)

(3) The capital gain generated up to 19-01-2006, has been determined by distributing the total capital gain among the number of days existing between the date of acquisition of the apartment (20-12-1994) and 19-01-2006, which amounts to 4,049 days, with respect to the total number of days that the apartment has remained in the taxpayer's assets, that is, between 20-12-1994 and 01-07-2025, which amounts to 11,151 days. [\(Back\)](#)

Table: Adjudication excesses in the extinction of the condominium. TEAC Resolution of June 7, 2018

The following table contains the criteria established in the Resolution of the TEAC of June 7, 2018, Claim number 00/02488/2017, filed in an extraordinary appeal for unification of criteria.

Adjudication excesses in the extinction of the condominium. Resolution of the TEAC of June 7, 2018

Awards	Value of the property on the date of termination of the condominium	Taxation
The awards correspond to the ownership share of each commoner.	Equal to the value of the property when the condominium was established	There is no change in the assets of any of the co-owners and, therefore, there is no capital gain or loss. Article 33.2 Law of IRPFABBR.
	Greater than the value of the property when the condominium was established	
Since the property is indivisible or loses value significantly with the division, it is awarded in its entirety to one of the co-owners with the obligation to compensate the remaining co-owners in cash.	Equal to the value of the property when the condominium was established	Communal owner to whom the property is awarded in its entirety and who compensates the others in cash: It is taxed under the documented legal acts modality of ITPAJD for the part that is acquired ex novo by virtue of such operation (criterion established in TS Judgment 1,484/2018, of October 9).
	Greater than the value of the property when the condominium was established	Rest of the commoners who transfer their undivided participation shares in exchange for a price: Since the value of the property has not experienced an increase in value no capital gain or loss would be generated for them for a valuable consideration. Communal owner to whom the property is awarded in its entirety and who compensates the others in cash: It is only taxed under the documented legal acts modality of the ITPAJD for the part that is

		acquired ex novo by virtue of such operation (criterion established in TS Judgment 1,484/2018, of October 9). Rest of the commoners who transfer their undivided participation shares in exchange for a price: This would generate for them a capital gain for a consideration.
It is divided among the commoners without respecting the ownership share of each one and without compensating these differences in cash.	Equal to the value of the property when the condominium was established	Owner/s who receive a portion of the property greater than what would correspond to them based on their participation quota: There is an excess of allocation when acquiring free of charge the part of the undivided share corresponding to that surplus and is taxed in the ISD for said excess allocation. Community member/s who receive a portion of the property less than what would correspond to their participation quota: They would be transferring to the first party free of charge the part of the undivided share corresponding to that deficit, producing an alteration in the composition of their assets, but given that the value of the property has not experienced an increase no capital gain or loss would be generated for them by way of profit.
	Greater than the value of the property when the condominium was established	Owner/s who receive a share of the property greater than what would correspond to them for their share of participation. There is excess of allocation by acquiring free of charge the part of the undivided share corresponding to that surplus and is taxed in the ISD for said excess of allocation Community member/s who receive a portion of the property less than what would correspond to their participation quota: They would be transferring to the first party free of charge the part of the undivided share corresponding to this deficit, producing an alteration in the composition of their assets and given that the value of the property has experienced an increase a capital gain would be generated for them by way of profit.
It is divided among the commoners without respecting the ownership share of each one, but compensating these differences in cash.	Equal to the value of the property when the condominium was established	Communal owner/s who receive a portion of the property greater than what would correspond to them based on their participation quota. There is excess of allocation when acquiring for a fee the part of the undivided share corresponding to that surplus and is taxed in the ITP for the excess of allocation Owner/s who receive a portion of the property less than what would correspond to their share of ownership and cash compensation for the remainder.

		They would be transferring to the first party, for a fee, the part of the undivided share corresponding to this deficit, producing an alteration in the composition of their assets, but given that the value of the property has not increased no capital gain or loss would be generated for them for a fee.
	Greater than the value of the property when the condominium was established	Communal owner/s who receive a portion of the property greater than what would correspond to them based on their participation quota. There is excess of allocation when acquiring for a fee the part of the undivided share corresponding to that surplus and is taxed in the ITP for the excess of allocation Owner/s who receive a portion of the property less than what would correspond to their share of ownership and cash compensation for the remainder. They would be transferring to the first party, for a fee, the part of the undivided share corresponding to this deficit, producing an alteration in the composition of their assets and, given that the value of the property has increased, this would generate for them a capital gain for a fee.

Note: The different situations and legal criteria established by the TEAC in this resolution of June 7, 2018 refer to the extinction of the condominium on a single real estate property

However, the TEAC resolution of June 7, 2018 indicates that in many cases co-ownership falls on several properties. Although the diversity of situations may be overwhelming, some relevant criteria can be pointed out, which we transcribe below:

- First of all, it is necessary to determine in each case the existence of one or more communities of property. In this regard, and in view of the very frequent situations in practice, it must be taken into account that, although two or more properties are owned by two or more owners, this does not automatically determine the existence of a single community of property, but there may be one or more communities depending on the origin of the aforementioned community. This happens when common property comes from some hereditary acquisition and others from having been acquired by acts inter vivos, or when, even though all the property has been acquired by hereditary title, they come from different inheritances. In such cases it must be understood that there are two communities, one of inter vivos origin and another of mortis causa origin, or both of mortis causa origin, without in any way preventing the holders of the two communities from being the same persons. In the event that there are two or more condominiums, their dissolution will entail the existence of two or more different legal transactions that, as such, must be treated.
- In the event that there are two or more real estate properties in the community of property, it is necessary to consider the set of assets that comprise it in order to determine whether the subsequent allocation to each of the community members corresponds or not to the respective share of ownership, so that there may not be an alteration in the composition of their respective assets. Only in the event that one of the co-owners were awarded assets or rights with a value greater than that corresponding to his or her share of ownership, would there be a change in the assets of the other, generating, in the latter, a capital gain or loss. According to the above, there would be no alteration in assets due to the dissolution of the joint ownership of the various properties, provided that the values of the allocation correspond to their respective market value and that the allocations made correspond to the respective ownership share, with the allocated assets maintaining their original values and acquisition dates.

Paintings: usufruct over real estate

Usufruct and dismemberment of property: concept and definitions

USUFRUCT OVER REAL ESTATE IRPFABBR. Table I

Items	Full ownership : Article 348 of the Civil Code: "Property is the right to enjoy and dispose of something, with no limitations other than those established by law." Domain dismemberment : The dismemberment of full ownership (ownership) entails the separation of the powers that comprise the right of ownership through the constitution of real rights of enjoyment over the property (right of usufruct, rights of use and habitation and easements) and the right of bare ownership. Usufruct : The right of usufruct grants the right to use, enjoy and benefit from another's property without altering its form or substance (articles 467 to 522 of the Civil Code). Bare ownership : Bare ownership constitutes the right to fully enjoy ownership of the property when the usufruct is extinguished. While the usufruct lasts, the bare owner only has the power to dispose of the property but not the use, enjoyment and utilization of it.
Dismemberment of the domain	• The owner reserves the bare ownership and constitutes a right of usufruct in favor of a third party : The person in whose favor the usufruct is established as beneficiary must pay taxes for ITP or ISD (depending on whether the establishment of the usufruct in his/her favor was for a fee or for profit). The owner gets in the IRPFABBR through the establishment of the usufruct of income from real estate capital. • The owner transfers the bare ownership and reserves the usufruct : The acquirer of the bare ownership must pay tax on the transfer. ITP either ISD (depending on whether the transfer is for consideration or gratuitous) and the owner is subject to the IRPFABBR due to the capital gain or loss generated by said transfer. However, no taxation or taxable event arises from the right of usufruct, which remains in the possession of its owner. • The owner establishes the usufruct and transfers the bare ownership to different persons : Each of the purchasers must pay ITP or ISD (depending on whether it is onerous or gratuitous) for the constitution of usufruct, and for the transfer of bare ownership. The owner, except in cases of inheritance, obtains in the IRPFABBR through the establishment of the usufruct, income from real estate capital, and through the transfer of bare ownership in the IRPFABBR a capital gain or loss.
Usufruct	Valuation of usufruct rights (Articles 49 and 51 of the ISD Regulations and articles 10 of the consolidated text of the ITPAJD Law)

	• Temporary usufruct : It shall be deemed proportional to the total value of the assets to which it applies, at a rate of 2% for each one-year period, without exceeding 70%. Fractions of time less than a year will not be computed, although usufruct for a period of less than a year will be computed at 2% of the value of the assets. • Lifetime usufruct : The value will be estimated to be equal to 70% of the total value of the assets when the usufructuary is less than twenty years old, reducing the percentage in the proportion of 1% for each additional year, with a minimum limit of 10%. (Practical rule for calculating usufruct: subtract the age of the usufructuary from the number 89. The result of this operation gives us the percentage of the value of the usufruct: $[(89 - \text{age of the usufructuary}) / 100]$). • Other types of usufruct : ◦ Lifetime usufructs which are also temporary (Article 49.c) Regulations of the ISD) ◦ Usufruct in favor of a legal entity (Article 49.d) Regulations of the ISD) ◦ Usufruct with a resolutive condition other than the life of the usufructuary (Article 51.7 Regulations of the ISD) ◦ Successive usufruct (Article 51.5 Regulations of the ISD) ◦ Usufruct established in favor of spouses (Article 51.5 Regulations of the ISD)
Bare ownership	The value of the bare ownership will be calculated by the difference between the value of the usufruct and the total value of the assets.

This table is for informational purposes only.

Constitution of usufruct

USUFRUCT OVER REAL ESTATE IRPFABBR. Table II

Ways of being constituted		Owner who constitutes the usufruct	Person in whose favor the usufruct is established
In favor of a third party The full ownership is dismembered into bare ownership and usufruct. The owner creates "ex novo" the right of usufruct that did not exist previously, so it is not transferred, but rather constituted.	For a fee By acts inter vivos (sale for price)	Income from real estate capital (IRPFABBR): - Amount paid for all purposes by the person in whose favor the right is established. If the person in whose favor the right is established is the spouse or a relative, including relatives by marriage, up to and including the third degree, the total net income may not be less than the imputed income derived from said property (Article 85 of the Law of IRPFABBR). - If a life usufruct is established in favor of a third party, a 30% reduction may be applied for income obtained in a notoriously irregular manner over time. [Article 23.3 of the Law of IRPFABBR and 15.c) of its Regulations].	The holder of the usufruct right (and not the bare owner) is the one who has the right of use and enjoyment and receives the fruits of the property, therefore the following income is attributed to him in the IRPFABBR: A. If you lease or transfer the property: Real estate capital gains . For the calculation of the net return on real estate capital, it must be taken into account that the tax-deductible depreciation is that which corresponds to the right of usufruct [article 23.1.b) of the Law of IRPFABBR and 14.3 of its Regulations], which will be: - Temporary usufruct: acquisition cost divided by the number of years of duration - Usufruct for life: 3% of the acquisition cost satisfied
	Free of charge a. By acts inter vivos b: For acts mortis causa: - Intestate succession (widow's usufruct) - Testament	A. If it can be proven that the constitution of the usufruct was free of charge or if the usufructuary paid taxes in the ISD due to the constitution of the usufruct right By inter vivos acts (donation) : obtains income from real estate capital which, upon proof of its gratuitous nature, is limited to the imputation of the net income provided for in article 85 of the Law of IRPFABBR during each of the years of the usufruct. B. By mortis causa: They do not pay taxes IRPFABBR. If it cannot be proven that it was free of charge	B. If the property is at your disposal and is not rented or transferred: Imputation of real estate income . 2%, in general. This percentage must be applied to the cadastral value of the property that appears on the IBI receipt for the year. 1.1% in the following cases:

Ways of being constituted		Owner who constitutes the usufruct	Person in whose favor the usufruct is established
		Unless proven otherwise, it is presumed that the establishment of the right of usufruct is remunerated (Article 6.5 of the Law of IRPFABBR) which leads to obtaining real estate capital gains, which must be valued, in accordance with Article 40 of the Law of IRPFABBR, for the normal market value, without prejudice to the application of the minimum yield rules in the case of the establishment of the usufruct in favor of the spouse or a relative, including relatives by marriage, up to and including the third degree (Article 24 of the Law of IRPFABBR) or the application of a 30% reduction for income obtained in a notoriously irregular manner over time in the case of a life usufruct (Article 15 of the Regulation of the IRPFABBR).	a. Properties whose cadastral values have been revised, modified or determined through a general collective valuation procedure, in accordance with cadastral regulations and have come into force in the tax period or within the period of the ten previous tax periods. b. Properties that, on the accrual date of IRPFABBR (normally, December 31), lacked cadastral value or this has not been notified to the owner.

This table is for informational purposes only.

Transfer of usufruct

USUFRUCT OVER REAL ESTATE IRPFABBR. Table III

Modes of transmission		Holder of the right of usufruct	Person who acquires it (usufructuary)
In favor of a third party other than the bare owner The usufructuary transfers his right. If it is a life usufruct, the usufruct will continue until the death of the person on whom the usufruct was established (the original usufructuary). If it is a temporary usufruct for the time remaining from when it was originally established until its extinction	For a fee: By acts inter vivos (sale for price)	You will get in the IRPFABBR a capital gain or loss due to the difference between: Transmission value (+) Actual amount of the transfer (or transfer value for the purposes of ISD if the transfer is free of charge). (-) Expenses and taxes inherent to the transfer paid by the transferor. Acquisition Value (the acquisition date will be the date of constitution of usufruct in your favor) (+) Actual acquisition amount (or acquisition value for the purposes of ISD if the acquisition was free of charge). (+) Investments and improvements made to acquired assets. (+) Expenses and taxes inherent to the acquisition (except interest), paid by the purchaser. (-) <i>For the years in which the real estate on which the usufruct was established was leased or transferred and for which income from real estate capital was obtained</i> (Article 40.1 of the Regulations of IRPFABBR): amount of tax-deductible amortization, computing in all cases the minimum amortization, regardless of whether it is actually considered an expense. With the limit of the total returns obtained from said lease.	The usufructuary is the one who has the right to use and enjoy the property and receives its fruits, therefore the following income is attributed to him in the IRPFABBR: A. If you lease or transfer the property: Return on real estate property For the calculation of the net return on real estate capital, it must be taken into account that the tax-deductible amortization is that of the right of usufruct ([article 23.1.b) of the Law of IRPFABBR and 14.3 of its Regulations] which will be: • Temporary usufruct: acquisition cost divided by the number of years of duration • Usufruct for life: 3% of the acquisition cost satisfied B. If the property is at your disposal and is not rented or transferred: Real estate income allocation • 2%, in general. This percentage must be applied to the cadastral value of the property that appears on the IBI receipt for the year. • 1.1% in the following cases: a. Properties whose cadastral values have been revised, modified or determined through a general collective valuation procedure, in accordance with
	Free of charge: • By acts inter vivos • For acts mortis causa (temporary usufruct)		

Modes of transmission		Holder of the right of usufruct	Person who acquires it (usufructuary)
		<u>Amortization of the right of usufruct</u> (Article 14 of the Regulations of IRPFABBR): • Temporary usufruct: acquisition cost ÷ number of years of duration of the same • Usufruct for life: acquisition cost x 3% <i>(–) For the years in which the real estate on which the usufruct was established was at the disposal of the usufructuary and not leased or transferred (Article 37.1.k) of the Law of IRPFABBR): The purchase value must be reduced proportionally to the time of use.</i> • Temporary usufruct: acquisition cost ÷ number of years of duration of the same • Usufruct for life: acquisition cost x 3% Drawdown coefficients (DT Article 9 of the Law IRPFABBR): Real rights of enjoyment or use over real estate acquired before December 31, 1994. The date of acquisition must be determined, which will depend on the legal transaction by virtue of which the usufruct was established.	cadastral regulations and have come into force in the tax period or within the period of the ten previous tax periods. b. Properties that, on the accrual date of IRPFABBR (normally, December 31), lacked cadastral value or this has not been notified to the owner.
In favor of the owner's knot	• For a fee • Free of charge	It determines the consolidation of the domain and the full ownership of the property in the bare owner (See consolidation of the domain)	

This table is for informational purposes only.

Extinction of usufruct and consolidation of ownership

USUFRUCT OVER REAL ESTATE IRPFABBR. Table IV

Extinction of usufruct	Effect	Usufructuary	Owner's knot
Upon death of the usufructuary if not successive (lifetime usufruct) ⁽¹⁾	Automatic consolidation of the domain in the owner node	Article 33.3.b) of the Law of IRPFABBR: It is estimated that there is no capital gain or loss in lucrative transfers due to the death of the taxpayer. Therefore, it is not taxed in IRPFABBR	In the extinction of the usufruct and consequent consolidation of ownership, the following will be required: IRPFABBR that corresponds according to the title of constitution of the usufruct. - For onerous transmission: will pay taxes on the ITP . The bare owner is required to make a settlement for the value of the usufruct that enters his/her assets, which is the result of applying to the new value that the property may have at the time of consolidation of ownership, the percentage that corresponded to the usufruct at the time of dismemberment, for which he/she has not paid the tax. However, if the tax rate has changed since that time, the new rate in force at the time of consolidation applies. - By lucrative transmission: will be taxed for the ISD applying the average effective tax rate corresponding to the dismemberment of the domain, and based on the value that the usufruct had at that time (at the time of the dismemberment of the domain). It does not pay taxes in the IRPFABBR through consolidation. The owner who consolidates the domain will obtain real estate capital returns if he rents or transfers the property or imputes real estate income (unless it becomes his habitual residence)
Due to expiration of the term for which it was established if it is for a term (temporary usufruct)	Automatic consolidation of the domain in the owner node	It is generated in the IRPFABBR a capital loss due to the difference between the transfer value, which will be zero, and the acquisition value (See <i>acquisition value in the table above for the transfer of usufruct</i>)	
By resignation of the usufructuary	Consolidation of the domain in the owner node	It is generated in the IRPFABBR a capital gain or loss for the difference	When the usufruct is extinguished for reasons other than the completion of the term or the death of the usufructuary, the purchaser (the bare

Extinction of usufruct	Effect	Usufructuary	Owner's knot
		between the transfer value and the acquisition value (See transfer and acquisition value in the transfer of usufruct) The renunciation of a usufruct already accepted, even if it is pure and simple, will be considered for tax purposes as a donation from the usufructuary to the bare owner. Drawdown coefficients (DT Article 9 of the Law IRPFABBR): They will not apply, to the extent that it would not be a transfer of an asset, but rather a waiver of a right, regardless of whether it implies the consolidation of full ownership in the bare owner.	owner) must pay taxes on the highest value resulting from the liquidations that proceed for: - The usufructuary's waiver (legal transaction by virtue of which the usufruct is extinguished) is considered a donation for tax purposes: You will pay taxes on the ISD for the concept of donation, or - The pending amount for the dismemberment of the domain (according to the title by which the usufruct was established), in some cases of inter vivos origin (ITP) and in others of mortis causa origin (ISD , Succession concept). It does not pay taxes in the IRPFABBR through consolidation. The owner who consolidates the domain will obtain real estate capital returns if he rents or transfers the property or imputes real estate income (unless it becomes his habitual residence)
Due to the reunion of the usufruct and the bare ownership in a single person for different reasons	Consolidation of ownership in the usufructuary or in the bare owner derived from a legal transaction (by donation or by onerous transfer)	- If the usufructuary transfers his right to the bare owner: You will get in the IRPFABBR a capital gain or loss for the difference between the transfer value and the acquisition value (See transfer and acquisition value in the transfer of usufruct) - If the usufructuary acquires the bare ownership and consolidates the domain: The tax corresponding to the legal transaction by virtue of which the bare ownership is acquired will be required. - For onerous transmission: the consolidation will be taxed at ITP .	- If the bare owner transfers his bare ownership to a 3rd party (the usufructuary): You will get in the IRPFABBR a capital gain or loss for the difference between the transfer value and the acquisition value of the bare ownership. - If the bare owner acquires the usufruct and consolidates the ownership. The tax corresponding to the legal transaction by virtue of which the bare ownership was acquired will be required. - For onerous transmission: the consolidation will be taxed by the ITP - By lucrative transmission: the consolidation will be taxed at ISD . The consolidation of ownership in the bare ownership will be taxed by the highest of the settlements: between the one pending due to the dismemberment of the

Extinction of usufruct	Effect	Usufructuary	Owner's knot
		By lucrative transmission: the consolidation will be taxed at ISD for the concept of donation. In this case does not pay taxes in the IRPFABBR through consolidation but you will obtain income from real estate capital if you rent or transfer the property or imputed income from real estate (unless it becomes your main residence)	domain and the one corresponding to the legal transaction by virtue of which the usufruct is extinguished. In this case, the bare owner acquires the usufruct and consolidates the ownership does not pay taxes in the IRPFABBR through consolidation but you will obtain income from real estate capital if you rent or transfer the property or imputed income from real estate (unless it becomes your main residence)
Note to the table: (1) The extinction of the usufruct due to the death of the usufructuary does not entail a new acquisition by the person holding the property, but rather it is the legal regime of this real right of enjoyment or use that establishes that the death of the usufructuary extinguishes it (article 513.1, Civil Code), with the owner recovering the enjoyment rights of which he had been deprived in its constitution. (Back)			

This table is for informational purposes only.

Transfer of real estate after consolidation of ownership

USUFRUCT OVER REAL ESTATE IRPFABBR. Table V

Assumption being analyzed	CALCULATION OF CAPITAL GAIN OR LOSS			
	ACQUISITION		TRANSMISSION	
	Date of acquisition	Cost price	Broadcast date	Transmission value
Automatic consolidation of ownership in the bare owner due to the death of the usufructuary, expiration of the term or renunciation of the usufruct.	Date of the dismemberment of the domain (constitution of usufruct)	If you acquired the bare ownership for a valuable consideration: (+) Actual amount of the acquisition of bare ownership. (+) Investments and improvements made to acquired assets. (+) Expenses and taxes inherent to the acquisition (except interest), paid by the purchaser and, in addition, the ITP of the liquidation of the value of the usufruct.	Broadcast date Theory of title and mode (title or contract and delivery or tradition of the property).	Transfer for valuable consideration: (+) Actual amount of the transfer. (-) Expenses and taxes inherent to the transfer paid by the transferor.
		If you acquired the bare ownership for profit: (+) Value of bare ownership ISD . (+) Value of usufruct ISD . (+) Investments and improvements made to acquired assets. (+) Expenses and taxes inherent to the acquisition (except interest), paid by the		Transmission for profit: (+) Transmission value for the purposes of ISD . (-) Expenses and taxes inherent to the transfer paid by the transferor.

Assumption being analyzed	CALCULATION OF CAPITAL GAIN OR LOSS			
	ACQUISITION		TRANSMISSION	
	Date of acquisition	Cost price	Broadcast date	Transmission value
		purchaser in the ISD of the settlement of the value of the usufruct.		

This table is for informational purposes only.

Chapter 12. Integration and compensation of revenue

Introduction

Classification of income according to its origin and source and classification for the purposes of calculating the tax

Regulations: Art. 6.2 Law IRPFABBR

The income obtained by the taxpayer throughout the tax period is ordered according to its origin or source, in three tax categories:

- Yields.
- Income imputations.
- Capital gains and losses.

This classification has its effects especially in the quantification of income. Thus:

- Net income is obtained by the difference between computable income and deductible expenses, without prejudice to the application of reductions on the gross or net income that may apply.
- Income imputations are quantified by directly applying the criteria and rules established by law.
- Capital gains and losses are generally determined by the difference between the transfer and acquisition values.

However, for the purposes of calculating the tax, the income obtained by the taxpayer in the tax period is classified into the following two groups:

1 General income

Regulations: Articles Law 44 and 45 IRPFABBR

This group includes the following components of the taxpayer's income:

- **Yields** of labor, of real estate capital, of movable capital (exclusively those provided for in section 4 of article 25 of the Law of IRPFABBR. That is, among others, those derived from intellectual property, the provision of technical assistance, the leasing of movable property, businesses or mines or subleases and the transfer of the right to exploit the image) and

those derived from the exercise of economic activities.

- **Imputations** of real estate income, international tax transparency, transfer of image rights, collective investment institutions established in countries or territories classified as non-cooperative jurisdictions, Spanish and European economic interest groups, and temporary business associations.
- **Capital gains and losses** that do not arise from the transfer of assets.

2 Savings income

Regulations: Articles Law 44 and 46 IRPFABBR

Savings income is made up of the following components:

- **Yields** of movable capital provided for in sections 1, 2 and 3 of article 25 of the Law on IRPFABBR. That is, those derived from the participation of equity of any type of entity, those obtained by the transfer of equity to third parties, those from capitalization operations and life or disability insurance contracts, as well as income derived from the imposition of capital.

However, income from movable capital as provided for in Article 25.2 of the Law will form part of general income. IRPFABBR, corresponding to the excess of the amount of own capital transferred to a related entity with respect to the result of multiplying by three the own funds, in the part that corresponds to the taxpayer's participation, of the latter. Chapter 5 contains an example detailing the operations necessary to determine the portion of the income that must be included in the general tax base.

Please note that in cases where the link is defined based on the relationship of the partners or participants with the entity, the participation must be equal to or greater than 25%.

- **Capital gains and losses** that arise on the occasion of transfers of assets, regardless of the period of generation.

The following tables graphically show the components of general income and savings income.

Summary tables of components of general income and savings income

Components of general income

Yields	Income imputations	Capital gains and losses
Earned income	Imputed real estate income.	Capital gains and losses not derived from the transfer of assets.
Returns on capital assets	International tax transparency.	
Income from movable capital as provided for in Article 25.4 of the Law IRPFABBR. Among others, those derived from: • Intellectual and industrial property. • Provision of technical assistance. • Leasing of movable property, businesses or mines and subleases. • Assignment of the right to exploit the image.	Assignment of image rights.	
Income from economic activities.	Collective Investment Institutions in countries or territories classified as non-cooperative jurisdictions.	
	Charges of AIE and UTE .	
GENERAL INCOME		

Components of savings income

Yields		Capital gains and losses
Income from movable capital (Art. 25.1, 2 and 3 Personal Income Tax Law) derived from:	Participation in the equity of entities.	Capital gains and losses arising from the transfer of assets.
	Transfer of own capital to third parties 📄	
	Capitalization operations	
	Life or disability insurance contracts.	
	Income resulting from the taxation of capital.	
INCOME FROM SAVINGS		

(*) Except for the excess of the amount of equity transferred to a related entity over the result of multiplying the equity by three, in the part corresponding to the taxpayer's participation, of the latter. For the purposes of calculating said excess, the amount of the equity of the related entity reflected in the balance sheet corresponding to the last fiscal year closed prior to the date of accrual of the tax and the percentage of the taxpayer's participation existing on said date will be taken into consideration. See this [assumption in Chapter 5](#).
[. \(Back\)](#)

Rules for integration and compensation of income

Regulations: Article 47 of the Law IRPFABBR

As a preliminary step to calculating the tax, the positive and negative amounts of the taxpayer's income must be integrated and offset.

The integration and compensation of income is carried out within each of the groups into which they are classified: general income and savings income, in accordance with the rules and principles discussed below, without any integration or compensation being possible between the income comprising each of these groups.

As a result of applying the rules for integration and compensation of income, the general tax base and the savings tax base are obtained, respectively.

Integration and compensation of income in the general tax base

Regulations: Article 48 of the Law IRPFABBR

The integration and compensation of income in the general tax base is carried out in two phases: The first is intended to determine the general tax base obtained in the period itself and the second is to offset the negative items obtained in the period itself or in previous years that are pending offset:

Phase 1. Integration and compensation of income obtained in the tax period

a. **Net income** from work, real estate, movable capital in the terms previously commented and from economic activities, whose results, if any, reduced, may be positive or negative, and **imputations of income** (real estate, international tax transparency, transfer of image rights, collective investment institutions established in countries or territories classified as non-cooperative jurisdictions and economic interest groupings, Spanish and European, and temporary business associations), whose results, if these incomes exist, must always be positive, with the exception of those derived from economic interest groupings and temporary business associations that may impute negative tax bases, **are integrated and offset with each other without any limitation, obtaining a total positive or negative balance.**

- **The resulting positive balance** is integrated into the general tax base, without prejudice to the compensation discussed below.
- **The negative balance** must be offset against the positive balance of capital gains and losses obtained, where applicable, in the same period.

These capital gains and losses are those that do not arise from the transfer of assets.

If after such compensation there is still a negative balance, it will be integrated with such sign in the general tax base.

b. **Capital gains and losses that do not arise from transfers of assets are integrated and offset exclusively against each other, resulting in a positive balance** (the amount of gains is greater than the amount of losses) or **negative balance** (the amount of losses is greater than the amount of gains).

- **The positive balance** is integrated into the general tax base.
- **The negative balance** must be offset against the positive balance of income and imputations of income obtained in the tax period, with the maximum limit of 25 percent of said positive balance

The remaining uncompensated will be compensated in the **next four years** in this order:

- Firstly, with the **positive balance of the capital gains and losses** of this same group that, where applicable, are obtained.
- Second and lastly, with the **positive balance of the returns and income imputations**, once said balance has been reduced by the **offset of the negative balance, if any, of capital gains and losses obtained in fiscal year**.

The offsetting of negative balances of capital gains and losses for the financial year and previous financial years pending offsetting may not jointly exceed **the limit of 25% of the positive balance** of the income and income imputations before said offsets.

The compensation will be made in the maximum amount allowed in each of the following years and in no case will this compensation be made outside the deadline by accumulating it to capital losses from subsequent years.

Phase 2. Offsetting negative items outstanding from previous years

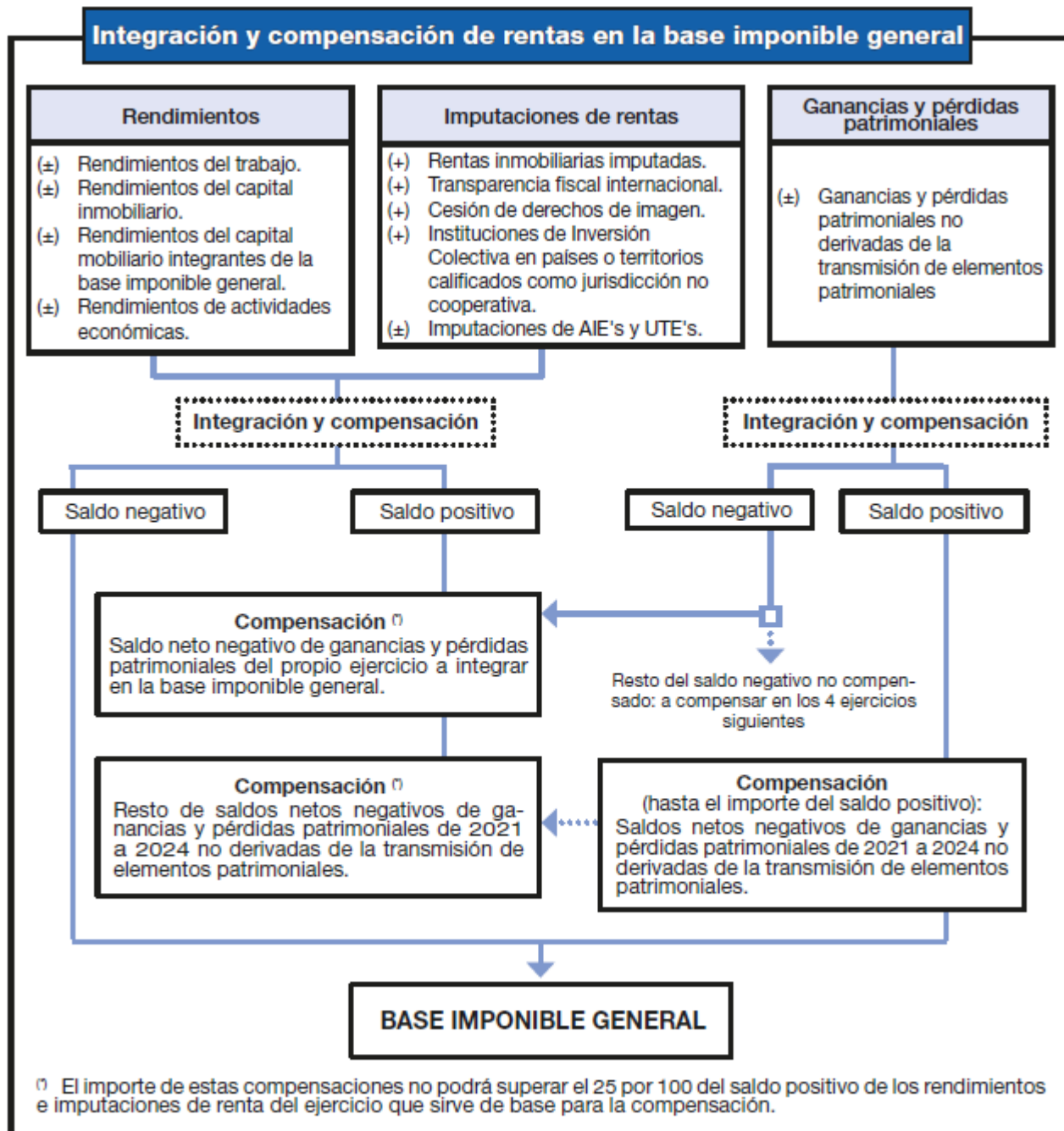
The net negative balances of capital gains and losses not derived from transfers of assets corresponding to the financial years 2021, 2022, 2023 and 2024 pending compensation as of 1 January 2025, They are offset in the manner provided for offsetting the negative balance of capital gains and losses indicated above, that is:

- First, with the net positive balance of capital gains and losses obtained in the financial year itself. **2025, up to the maximum amount of said balance.**
- Secondly and lastly, with the positive balance of the returns and income imputations, once said balance has been reduced by the offset of the negative balance, if any, of capital gains and losses obtained in the year.

The offsetting of negative balances of capital gains and losses for the financial year and previous financial years pending offsetting, **may not jointly exceed the limit of 25% of the positive balance** of the income and income imputations before said offsets.

The operations of integration and compensation of income in the general tax base discussed above are included in the following scheme :

Summary table of integration and compensation of income in the general tax base



Integration and compensation of income in the taxable savings base

Regulations: Art. 49, Additional Provision thirty-ninth.1; and seventh transitional provision.5 LawIRPFABBR

The integration and compensation of income in the taxable savings base is carried out, in a similar way to that discussed in the previous section, in two phases: The first is intended to determine the taxable base of the savings obtained in the tax period itself, and the second is to offset the negative items from previous years that are pending offset against the positive balance, if any, obtained.

Phase 1. Integration and compensation of income obtained in the tax period

a. **The returns on movable capital that make up the taxable savings base** (those derived from participation in the equity of entities, from the transfer of equity to third parties, from capitalization operations, from life or disability insurance contracts and income resulting from the imposition of capital) **are integrated and offset exclusively among themselves in each tax period**, resulting in a positive or negative balance.

- **The positive balance** resulting from said compensation is integrated into the taxable savings base, without prejudice to the compensation discussed below.
- **The negative balance** is offset by the positive balance of capital gains and losses arising from the transfer of assets that are part of the taxable savings base, obtained in the same tax period, **with a limit of 25 percent of said positive balance**.

If after such compensation there is a negative balance, its amount will be compensated in the following four years in the same order established in the previous paragraphs.

b. **Capital gains and losses arising from the transfer of assets**, regardless of their period of permanence, are integrated and offset exclusively among themselves in each tax period, resulting in a positive or negative balance.

- **The positive balance** resulting from said compensation is integrated into the taxable savings base, without prejudice to the compensation regime discussed below.
- **The negative balance** will be offset against the positive balance of the capital gains included in the savings tax base, obtained in the same tax period, **with a limit of 25% of said positive balance**.

If after said compensation there is a negative balance, **its amount will be compensated in the following four years** in the same order established in the previous paragraphs.

The above offsets must be made in the maximum amount permitted in each of the following years and may not be made outside the aforementioned period by accumulating them with negative income from subsequent years.

Phase 2. Offsetting negative items outstanding from previous years

Negative items from previous years pending compensation

Negative items from previous years pending offset as of January 1, 2025 may be:

- a. Negative balances of income from movable capital from 2021, 2022, 2023 and 2024 pending compensation as of January 1, 2025, to be integrated into the savings tax base.
- b. Negative balances of capital gains and losses from 2021, 2022, 2023 and 2024, pending compensation as of January 1, 2025, to be included in the savings tax base

Rules for offsetting negative items from previous years

The above negative balances are offset in the order and manner set out below:

1. Offsetting the negative items pending from previous years with their respective positive balance of income or profits and losses for the year

- a. The positive balance of income from movable capital for the 2025 financial year, once this balance has been reduced by the compensation of capital losses corresponding to the 2025 financial year, will be offset by the taxpayer with the balance of negative income from movable capital pending compensation from the 2021, 2022, 2023 and 2024 financial years.

With regard to the latter, it should be noted that it includes all negative returns on movable capital pending compensation for the years 2021, 2022, 2023 and 2024, including those derived from subordinated debt or preferred shares.

- b. The positive balance of gains and losses for the 2025 financial year, once this balance has been reduced by the compensation of any negative balance of investment income obtained in the 2025 financial year, will be offset by the taxpayer with the balance of losses pending compensation from the 2021, 2022, 2023 and 2024 financial years.

With regard to the latter, it should be noted that it includes all capital losses pending compensation from the years 2021, 2022, 2023 and 2024, including those derived from subordinated debt or preferred shares.

In no case will compensation be made outside the four-year period, by accumulating negative net balances or capital losses from subsequent years.

Note: Annex "C" in the declaration model includes, in relation to the integration and compensation of income, information relating to losses and negative capital gains pending compensation in the following years.

2. Offsetting of the remaining negative balances of capital gains and outstanding gains and losses from previous years not offset

If there were negative balances of income from movable capital for the years **2021, 2022, 2023 and 2024**, which have not been offset as indicated above, will be offset with the remaining positive balance, if any, of capital gains for the 2025 financial year up to the limit of 25 percent of the aforementioned positive balance.

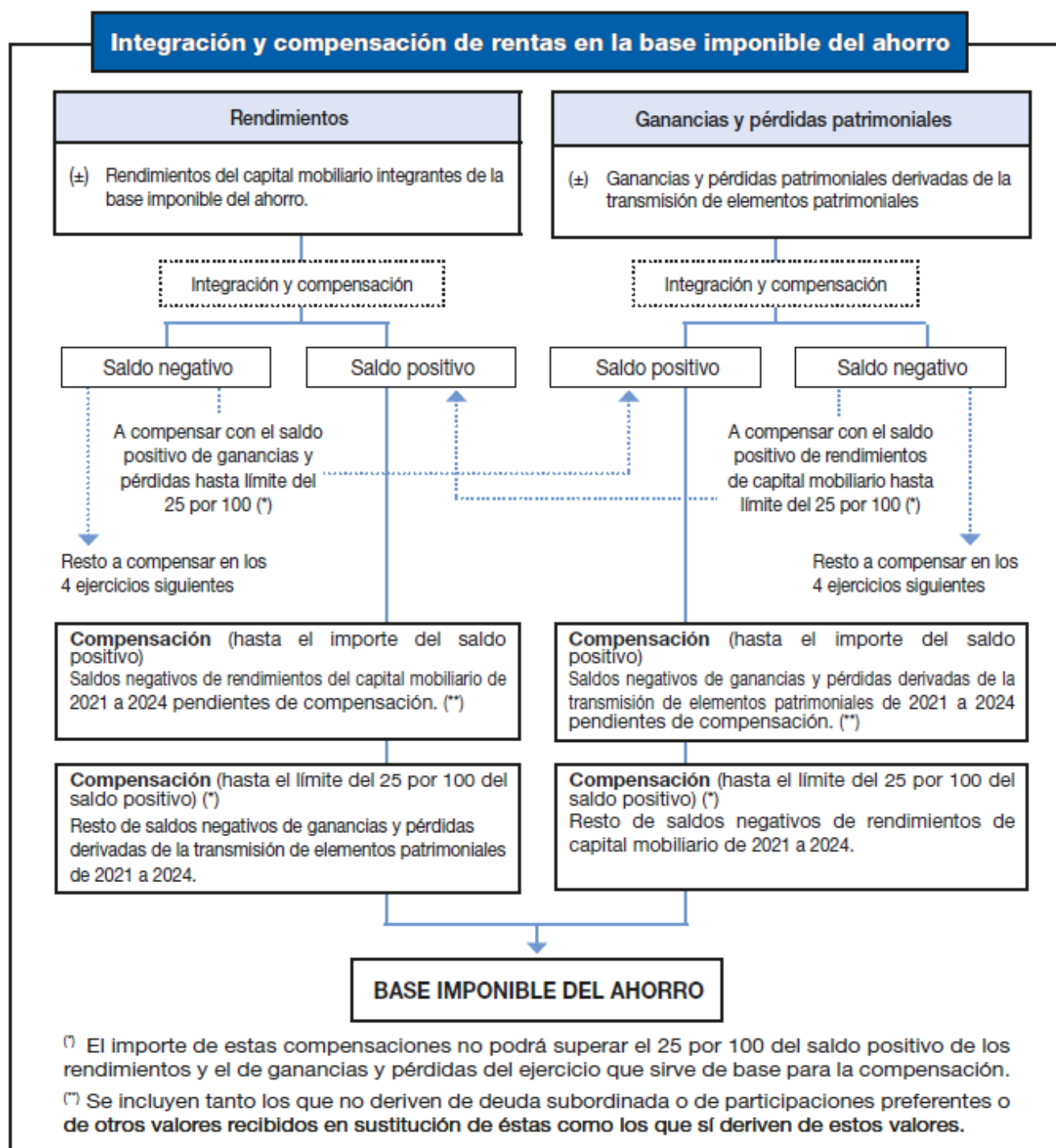
This compensation together with that of the negative balances of investment income from 2025 may not jointly exceed the limit of 25 percent of the positive balance of gains and losses from 2025.

The same will happen if there are negative balances of capital gains and losses from the financial years **2021, 2022, 2023 and 2024** that have not been offset, in which case, they will be offset with the remaining positive balance, if any, of income from movable capital for the year 2025, up to the limit of 25 percent of the aforementioned positive balance.

This compensation together with the compensation of negative balances of gains and losses from 2025 that are offset against the positive balance of investment income from 2025 may not jointly exceed the limit of 25 percent of the positive balance of investment income from 2025 before compensation.

The operations of integration and compensation of income in the taxable base of savings that have been discussed are collected, graphically, in the following table:

Summary table of integration and compensation of income in the savings tax base



Integration and compensation rules in joint taxation

In joint taxation, negative items made and not offset as of January 1, 2025 by the taxpayers comprising the family unit will be offset in accordance with the rules discussed above, even if they derive from previous tax periods in which they have been taxed individually.

Negative items determined in joint taxation will be offset only in the case of subsequent individual taxation, by those taxpayers to whom they correspond according to the rules of individualization of income contained in the Law of IRPFABBR.

Practical case

Mr. APG has obtained the following income in the year 2025:

- Reduced net labor output: 50,000
- Reduced net performance of economic activity: –5.000
- Imputation of real estate income: 300
- Capital gains to be included in the general tax base: 4.500
- Capital loss to be included in the general tax base: 9.600
- Negative return on movable capital to be included in the taxable savings base: –800
- Capital gains to be included in the taxable savings base: 5.600
- Capital loss to be included in the taxable savings base: 1,600

Likewise, the taxpayer has pending compensation for the following items from the years indicated:

- Net negative balance of capital gains and losses not derived from the transfer of assets corresponding to 2021: 600
- Negative net balance of capital gains and losses arising from the transfer of assets corresponding to 2021: 700
- Negative returns on movable capital pending offset from 2021 in the savings tax base: 500
- Net negative balance of capital gains and losses derived from the transfer of assets corresponding to 2022: 2,100

Carry out the integration and compensation of said income in the declaration for the 2025 fiscal year.

Solution:

1. Integration and compensation of income in the general tax base:

a. Income and imputations for the year 2025:

- Job: 50,000
- Economic activity: -5.000

- Imputation of real estate income: 300
- Net balance $(50,000 - 5,000 + 300) = 45,300$
- b. Capital gains and losses for the 2025 financial year to be included in the general tax base:
 - Profits: 4.500
 - Losses: 9.600
 - Negative net balance of profits and losses for the year 2025 $(4,500 - 9,600) = -5,100$
- c. Offsetting the negative balance of capital losses and gains from the 2025 financial year:

Offsetting the negative net balance for 2025: 5.100
- d. Offsetting negative items from previous years:

Compensation for negative net balance losses 2021: 600
- e. Total compensations $(5,100 + 600)$ ⁽¹⁾ = **5,700**

The maximum amount of compensation for net negative balances of capital gains and losses from 2021 and 2025 is 25 percent of the positive balance of income and imputed income before such compensation. In this case 11,325 euros (25 per 100 s/45,300). Therefore, the entire outstanding amount (5,700 euros) can be offset.

- f. General tax base $(45,300 - 5,700) = \mathbf{39,600}$

2. Integration and compensation of income in the savings base:

- a. Capital gains and losses for the 2025 financial year to be included in the savings tax base:
 - Profits: 5.600
 - Losses: 1,600
 - Positive net profit and loss balance for the year 2025: $(5,600 - 1,600) = 4,000$
- b. Compensation for the negative balance of investment income from the 2025 financial year:

Negative returns on capital furniture attributable to 2025⁽²⁾: 800

Negative capital gains for the year will be offset against the positive balance of capital gains and losses for the year from the taxable savings base, with a limit of 25% of said positive balance, which amounts to 1,000 (25% s/4,000). This clears all outstanding balances.

- c. Offsetting negative net balance of capital gains and losses from previous years:
 - Compensation for negative net loss balance 2021: 700
 - Compensation for negative net loss balance 2022: 2,100
- d. Negative net balance compensation of income from movable capital from 2021⁽³⁾: 200

Negative returns on movable capital from 2021 can be offset against the positive balance of capital gains and losses from the 2025 financial year up to a combined limit of 25 percent of said balance. In this case up to 200 euros since the compensation for the negative balance of the income from movable capital of the 2025 financial year amounted to 800 and the limit to 1,000 euros (25 per 100 s/4,000).

- e. Total compensations $(700 + 2,100 + 200) = 3,000$

- f. Compensation to be made (up to the amount of the positive balance): $(800 + 3,000) = 3,800$
- g. Taxable savings base $(4,000 - 3,800) = \mathbf{200}$

Chapter 13. Determination of the taxpayer's income subject to tax: taxable base

Introduction

Regulations: Art. Law 50 IRPFABBR

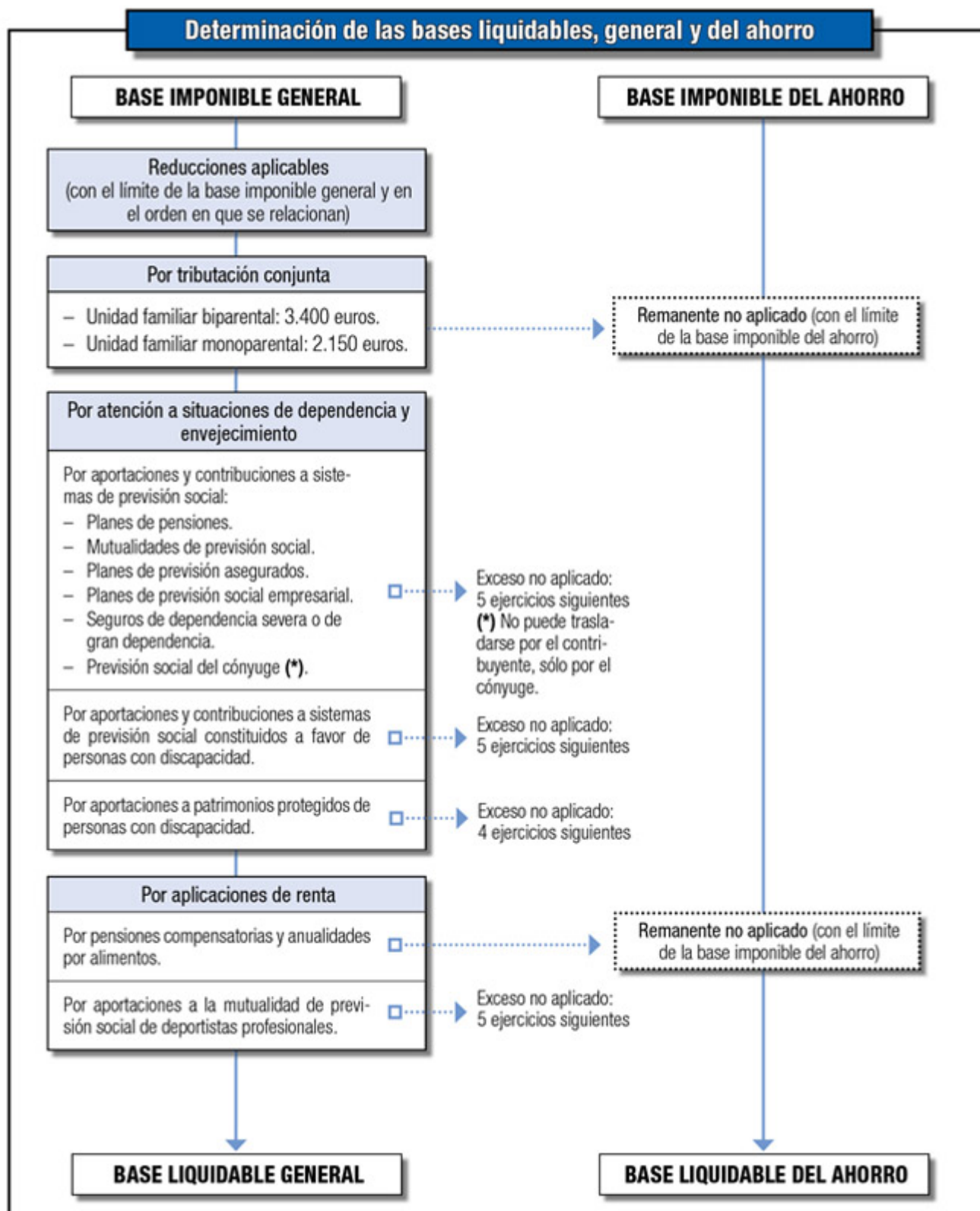
Once the general taxable base and the savings taxable base have been determined, as a result of the income integration and compensation procedure discussed in the previous chapter, the general taxable base and the savings taxable base must be determined.

The general taxable base is the result of applying the following reductions to the general tax base, exclusively and in this order, without it being able to result in a negative result as a consequence of said reductions:

- Reduction for joint taxation (art. 84 Law IRPFABBR).
- Reduction for contributions to social security systems (art. 51 Law IRPFABBR).
- Reduction for contributions to social security systems established in favor of persons with disabilities (art. 53 Law IRPFABBR).
- Reduction for contributions to protected assets of persons with disabilities (art. 54 Law IRPFABBR).
- Reduction for compensatory pensions (art. 55 Law IRPFABBR).
- Reduction for contributions to the social security mutual fund for professional athletes (Eleventh Additional Provision of Law IRPFABBR).

The taxable savings base is the result of decreasing the taxable savings base by the remainder, if any, of the reductions for joint taxation and compensatory pensions, without it being able to be negative as a consequence of such reductions.

The process of determining these two magnitudes can be represented schematically as follows:



Reductions in the general tax base

Note: *The reductions in the general tax base will be applied in the order listed below, and the tax base may not have a negative effect as a result of said reductions.*

Reduction for joint tax payment

Regulations: Art. 84.2.3 and 4 Law IRPFABBR

Family units made up of both spouses

In joint declarations of family units made up of both spouses not legally separated and, if applicable, minor children living together, as well as legally incapacitated adults subject to extended or rehabilitated parental authority, as long as a new judicial resolution is not issued replacing it or, where appropriate, adult children with disabilities for whom representative guardianship is established when this is exercised by the person or persons to whom parental authority would correspond if the child were a minor, **the taxable base will be reduced by 3,400 euros annually**.

Single-parent family units

In joint declarations of single-parent family units, that is, those formed, in cases of legal separation or when there is no marital bond, by the father or mother and all minor children or legally incapacitated adults subject to extended or rehabilitated parental authority (or representative guardianship) who live with one or the other, **the tax base will be reduced by 2,150 euros per year**.

As a consequence of Law 8/2021, of June 2, which reforms the civil and procedural legislation to support people with disabilities in the exercise of their legal capacity (BOE of June 3), judicial resolutions establishing the extension or rehabilitation of parental authority will only be taken into account until a new judicial resolution is issued to replace it.

Likewise, following the aforementioned Law 8/2021, the references made in Article 82 of the Law on IRPFABBR. The extended or reinstated parental authority should be understood as referring to judicial resolutions that establish representative guardianship for adult children with disabilities when this is exercised by the person or persons who would have parental authority if the child were a minor.

Note: *This reduction will not apply when the taxpayer lives with the father or mother of any of the children who are part of his or her family unit.*

In cases of legal separation or absence of a marital bond where custody of the children is shared, if the existence of a mutual agreement between the parents for one or the other to opt for "joint taxation" is not justified, a mutual agreement that must be prior to the filing of the tax returns, both parents, and also all the children, must be taxed under the "individual taxation" regime, as required by the wording of articles 82.1 2 and

82.2 of the Law of IRPFABBRTherefore, the reduction in Article 84.2.4 of the aforementioned Law is not applicable in these cases. IRPFABBR. See in this regard the Resolution of the TEAC of July 19, 2024, Claim number 00/02172/2023, filed in an appeal for the unification of criteria.

The reduction resulting from those mentioned will be applied, first of all, to the general tax base, and may not result in a negative result as a consequence of such reduction. The remainder, if any, will reduce the taxable savings base, which may not be negative either.

Note: Please note that in the case of family units referred to in Article 82.1 of the Law of IRPFABBR, made up of taxpayers of this tax and residents of another Member State of the European Union or the European Economic Area, was established, with effect from 1 January 2018, [a deduction on the fee](#) which is discussed in Chapter 16 of the Manual. Given that such family units cannot choose to file jointly, the aim of this deduction is to equate their share to be paid to what the taxpayer would have borne if all members of the family unit had been tax residents in Spain.

However, this new deduction is not applicable when any of the members of the family unit has opted to pay taxes in accordance with the [special tax regime applicable to workers posted to Spanish territory](#) provided for in article 93 of the Law of IRPFABBR which we referred to in Chapter 2 of this Manual.

Reductions for contributions and contributions to social security systems

Regulations: Articles 51, 52 and Ninth Additional Provision Law IRPFABBR ; Articles 49 to 51 and nineteenth transitional provision Regulation IRPFABBR

The following contributions and contributions to social security systems may be deducted from the general tax base:

1. Contributions and contributions to pension plans

Includes:

- The contributions made by participants to pension plans, including employer contributions imputed as in-kind employment income by the pension plan promoter of **employment system (including simplified ones)**. All of this, in accordance with the terms of the consolidated text of the Law on the Regulation of Pension Plans and Funds, approved by Royal Legislative Decree 1/2002, of November 29 (BOE of December 13).

Types of pension plans based on the constituent entities (promoting entities and participants). Art. 4 of the TR of the Law on Regulation of Pension Plans and Funds :

- **Employment pension schemes:** corresponds to plans whose promoter is any entity, corporation, company or business, as well as the individual entrepreneur who employs workers by virtue of an employment relationship, provided that the participants are the employees of the same, including

personnel with a special employment relationship regardless of the applicable Social Security regime. The status of participants may also be extended to worker and working partners in employment plans promoted within the scope of cooperative and labour societies, and to the individual entrepreneur himself when he promotes a pension plan of the employment system in the interest of his workers.

- **Pension plans of the associated system:** corresponds to plans whose promoter is any association or union, the participants being its associates, members or affiliates.
- **Individual system pension plans:** corresponds to plans whose promoter or promoters are one or more financial entities and whose participants are any natural persons.

- **The contributions made by participants to the pension plans regulated in Directive (EU) 2016/2341 of the European Parliament and of the Council, of December 14, 2016,** relating to the activities and supervision of employment pension funds (EPF), including contributions made by promoting companies, provided that the following requirements are met:

- a. That contributions are fiscally attributed to the participant to whom the benefit is linked.
- b. That the right to receive future benefits is irrevocably transferred to the participant.
- c. That the ownership of the resources that comprise the contribution be transferred to the participant.
- d. That the contingencies covered are those provided for in article 8.6 of the consolidated text of the Law on the Regulation of Pension Plans and Funds, approved by Royal Legislative Decree 1/2002, of November 29, retirement, total and permanent incapacity for work for the usual profession or absolute and permanent incapacity for any job, and severe disability; death of the participant or beneficiary and severe or great dependency of the participant).

Precision: Please note that Directive 2003/41/EC Regulation (EU) 2003/679 of the European Parliament and of the Council of 3 June 2003 on the activities and supervision of occupational pension funds, as referred to in Article 51 of the Law on the IRPFABBR was repealed by Article 65 of the Directive (EU Regulation (EU) 2016/2341 of the European Parliament and of the Council of 14 December 2016 on the activities and supervision of institutions for occupational retirement (IRR) repealed as of 13 January 2019 and that references to Directive 2003/41/EC shall be understood to refer to the aforementioned Directive (EU) 2016/2341. It should also be noted that this directive has been incorporated into the Spanish legal system through Royal Decree-Law 3/2020, of February 4 (BOE of February 5).

2. Contributions and contributions to social security mutual societies

In relation to the reduction of such contributions, the following requirements must be taken into account:

Subjective requirements

- a. **Professionals not integrated into any of the Social Security regimes**

The amounts paid under insurance contracts entered into with social security mutual societies by professionals not integrated into any of the Social Security schemes, by their spouses and first-degree blood relatives, as well as by employees of the aforementioned mutual societies, are entitled to a reduction in the part that is intended to cover the contingencies provided for in article 8.6 of the consolidated text of the Law on the Regulation of Pension Plans and Funds (retirement, total and permanent incapacity for work in the usual profession or absolute and permanent incapacity for any work, and severe disability; death of the participant or beneficiary and severe or great dependency of the participant), provided that said amounts have not been considered deductible expenses for determining the net income from economic activities.

See, within Chapter 7, and of the "[Expenses of the activity holder](#)" the point "Specialties in the IRPFABBR "of the contributions to Social Welfare Mutual Societies of the employer or professional himself."

b. Professionals or individual entrepreneurs integrated into any of the Social Security regimes

The amounts paid under insurance contracts entered into with social security mutual societies by professionals or individual entrepreneurs integrated into any of the Social Security regimes, by their spouses and first-degree blood relatives, as well as by the workers of the aforementioned mutual societies in the part that is intended to cover the contingencies of article 8.6 of the consolidated text of the Law on the Regulation of Pension Plans and Funds discussed in the previous paragraph, give the right to a reduction.

c. Self-employed workers or working partners

Regulations: See also Additional Provision Nine of the Law IRPFABBR

The amounts paid under insurance contracts entered into with mutual social security societies by employees or worker partners, **including the promoter's contributions** that have been attributed to them as work income, are entitled to a reduction when they are made in accordance with the provisions of the First Additional Provision of the consolidated text of the Law on the Regulation of Pension Plans and Funds, relating to the protection of pension commitments with workers, including unemployment for the aforementioned worker partners.

The contingencies that must be implemented under the conditions established in the first Additional Provision of the consolidated text of the Law on Regulation of Pension Plans and Funds will be those of retirement, disability, death and dependency provided for in article 8.6 of the aforementioned legal text.

Likewise, amounts paid under insurance contracts entered into with the mutual benefit societies established by the corresponding Professional Associations, by members of said associations who are employed workers, by their spouses and first-degree blood relatives, as well as by the workers of the aforementioned mutual benefit societies, entitle the payer to a reduction, provided that there is an agreement of the corresponding bodies of the mutual benefit society that only allows the collection of benefits when the contingencies foreseen in article 8.6 of the consolidated text of the Law on the Regulation of Pension Plans and Funds occur (Ninth Additional Provision of the Law IRPFABBR).

Objective requirements

Note: as of January 1, 2025, The consolidated rights derived from contributions made to pension plans and similar supplementary social security systems made up to December 31, 2015, will be available, with the corresponding returns in accordance with the seventh transitional provision of Royal Legislative Decree 1/2002, of November 29, which approves the consolidated text of the Law on the Regulation of Pension Plans and Funds.

The consolidated rights of mutual members may only be exercised in the cases provided for in article 8.8 of the aforementioned consolidated text of the Law Regulating Pension Plans and Funds (long-term unemployment, serious illness, and from 2025 for contributions with at least 10 years of seniority).

The amounts received in these situations are subject to the tax regime established for pension plan benefits.

3. Premiums paid to insured pension plans

Guaranteed pension plans, whose premiums may be subject to reduction of the general taxable base, are legally defined as insurance contracts that, in accordance with article 51.3 of the Law of IRPFABBR they must comply with **following requirements**:

- a. The taxpayer must be the policyholder, insured and beneficiary.

However, in the event of death, the right to benefits may be generated under the terms provided for in the regulations governing pension plans and funds.

- b. The contingencies covered must be only those provided for in article 8.6 of the consolidated text of the Law on the Regulation of Pension Plans and Funds approved by Royal Legislative Decree 1/2002, of November 29 (retirement, total and permanent incapacity for work for the usual profession or absolute and permanent incapacity for any work, and severe disability; death of the participant or beneficiary and severe or total dependency of the participant), having as its main coverage that of retirement under the terms established in article 49.1 of the Regulations of IRPFABBR.

Early withdrawal, in whole or in part, will only be permitted in these contracts in the cases provided for in Article 8.8 of the consolidated text of the Law Regulating Pension Plans and Funds (long-term unemployment, serious illness, and from 2025 for contributions with at least 10 years of seniority).

The right to early withdrawal in insured pension plans will be valued at the amount of the mathematical provision to which no penalties, expenses or discounts may be applied. However, if the entity has assigned investments, the right of early disposal will be valued at the market value of the assigned assets.

- c. Insured pension plans must offer an interest rate guarantee and use actuarial techniques.
- d. The policy conditions must expressly and prominently state that this is an insured pension plan.

- e. Policyholders of insured pension plans may, by unilateral decision, transfer their mathematical provision to another insured pension plan of which they are policyholders, or to one or more pension plans of the individual or associated system of which they are participants. Once the contingency has been reached, mobilization will only be possible if the conditions of the plan allow it.

The procedure for carrying out the mobilization of the mathematical provision is regulated in article 49.3 of the Regulation of IRPFABBR.

4. Contributions to corporate social security plans

Contributions made by workers to company social security plans regulated in the first Additional Provision of the consolidated text of the Law on the Regulation of Pension Plans and Funds, approved by Royal Legislative Decree 1/2002, of November 29, regarding the protection of pension commitments with workers, including contributions from the policyholder, give the right to a reduction.

In any case, corporate social security plans must meet **following requirements**

- a. The principles of non-discrimination, capitalisation, irrevocability of contributions and attribution of rights established in article 5.1 of the consolidated text of the Law on Regulation of Pension Plans and Funds must be applicable to this type of contract.
- b. The policy will establish the premiums that the policyholder must pay, which will be charged to the insured.
- c. The policy conditions must expressly and prominently state that it is a Corporate Social Security Plan, with this designation reserved for insurance contracts that meet the legally established requirements.
- d. The contingencies covered must be only those provided for in article 8.6 of the consolidated text of the Law on Regulation of Pension Plans and Funds (retirement, total and permanent incapacity for work for the usual profession or absolute and permanent incapacity for any work, and severe disability; death and severe or total dependency of the participant), having as its main coverage that of retirement under the terms established in article 49.1 of the Regulations of IRPFABBR.

Early withdrawal, in whole or in part, will only be permitted in these contracts in the cases provided for in Article 8.8 of the consolidated text of the Law Regulating Pension Plans and Funds (long-term unemployment, serious illness, and from 2025 for contributions with at least 10 years of seniority).

- e. Company pension plans must offer an interest rate guarantee and use actuarial techniques.

5. Premiums paid to private insurance that exclusively cover the risk of severe or high dependency

They entitle the holder to reduce the general taxable base of IRPFABBR the **premiums paid to private insurance** that exclusively cover the risk of severe or total dependency in accordance with the provisions of Law 39/2006, of December 14, on the Promotion of

Personal Autonomy and Care for People in Situations of Dependency (BOE December 15), when the following requirements are met:

Subjective requirements

Premiums may be **satisfied by** :

- a. The taxpayer himself.
- b. People who have a family relationship with the taxpayer, in a direct or collateral line up to the third degree inclusive.
- c. The taxpayer's spouse.
- d. Persons who have the taxpayer under a guardianship or foster care regime.

Premiums paid by persons referred to in letters b), c) and d) above are not subject to Inheritance and Gift Tax.

Objective requirements

The aforementioned private insurance must in all cases meet the following **requirements** :

- a. The taxpayer must be the policyholder, insured and beneficiary. Nevertheless. In the event of death, the right to benefits may be generated under the terms provided for in the regulations governing pension plans and funds.
- b. The insurance must necessarily offer an interest guarantee and use actuarial techniques.

6. Common rules applicable to contributions to social security systems

6.1 Tax regime for benefits received and early disposal of consolidated rights

a. Tax regime of benefits received

Note: as of January 1, 2025, The consolidated rights derived from contributions made to pension plans and similar supplementary social security systems made up to December 31, 2015, will be available, with the corresponding returns in accordance with the seventh transitional provision of Royal Legislative Decree 1/2002, of November 29, which approves the consolidated text of the Law on the Regulation of Pension Plans and Funds.

The consolidated rights of mutual members may only be exercised in the cases provided for in article 8.8 of the aforementioned consolidated text of the Law Regulating Pension Plans and Funds (long-term unemployment, serious illness, and from 2025 for contributions with at

least 10 years of seniority).

The benefits received for contingencies covered by pension plans (article 8.6 of the consolidated text of the Law regulating Pension Plans and Funds, approved by Royal Legislative Decree 1/2002, of November 29) will be taxed in their entirety as work income without in any case being able to be reduced by the amounts corresponding to excess contributions.

Regarding the contingency of "retirement", it should be noted that article 8 of the Regulation on pension plans and funds approved by Royal Decree 304/2004, of February 20, provides for the possibility of anticipating the benefit corresponding to said retirement contingency in two cases.

- From the moment the participant reaches 60 years of age, provided that the plan specifications so provide and the following circumstances occur:
 1. That he/she has ceased all activities that determine registration with Social Security, without prejudice to the fact that, where applicable, he/she continues to be assimilated to registration in some Social Security regime.
 2. That at the time of requesting early withdrawal, the person does not yet meet the requirements for obtaining retirement benefits under the corresponding Social Security system.
- When the participant, regardless of his or her age, terminates his or her employment relationship and becomes legally unemployed in the cases contemplated in articles 49.1.g) [due to the death, retirement or incapacity of the employer], 51 [collective dismissal], 52 [for objective reasons] and 57 [bankruptcy proceedings] of the consolidated text of the Workers' Statute Law approved by Royal Legislative Decree 2/2015, of October 23.

Furthermore, with respect to the benefits received, the possible application of the [transitional regime of reductions](#) applicable to benefits received in the form of capital from social security systems and arising from contingencies occurring in the years 2015 or later, for the part corresponding to contributions made until 31 December 2006, which is discussed in Chapter 3, should be taken into account.

In the event that the benefit is received in the form of an insured life annuity, reversal mechanisms or certain benefit periods or counter-insurance formulas may be established in the event of death once the life annuity has been established.

Remember: *In accordance with article 8.6 of the consolidated text of the Law regulating Pension Plans and Funds, approved by Royal Legislative Decree 1/2002, of November 29, the contingencies for which benefits will be paid are:*

- *Retirement.*
- *Total and permanent incapacity for work in the usual profession or absolute and permanent incapacity for any work, and severe disability, determined in accordance with the corresponding Social Security Regime.*
- *Death of the participant or beneficiary, which may generate the right to widowhood, orphanhood or benefits in favor of other heirs or designated persons.*
- *Severe dependency or great dependency of the participant, regulated by Law 39/2006, of December 14, on the promotion of personal autonomy and care for people in situations of dependency.*

b. Early disposition of consolidated rights

• Exceptional liquidity assumptions

Note: as of January 1, 2025, The consolidated rights derived from contributions made to pension plans and similar supplementary social security systems made up to December 31, 2015, will be available, with the corresponding returns in accordance with the seventh transitional provision of Royal Legislative Decree 1/2002, of November 29, which approves the consolidated text of the Law on the Regulation of Pension Plans and Funds.

The vested rights of participants, members or insured persons in pension plans, insured pension plans, company social welfare plans and social welfare mutual funds may only be made effective in advance in the cases provided for in article 8.8 of the aforementioned consolidated text of the Law on the Regulation of Pension Plans and Funds approved by Royal Legislative Decree 1/2002, of November 29, which are long-term unemployment, serious illness and from 2025 onwards for business contributions made at least 10 years ago.

In the event that the participant, mutual member or insured party disposes, in whole or in part, of the vested rights, as well as the economic rights derived from the social security systems, **in different cases** of those provided for in the regulations of pension plans and funds that we have indicated, **must replace the reductions** in the taxable base improperly carried out through the appropriate supplementary or corrective self-assessments (from 2024), including late payment interest.

These supplementary or corrective self-assessments must be submitted within the period between the date of the advance disbursement and the end of the regulatory period for submitting the declaration corresponding to the tax period in which the advance disbursement is made.

In this case, the amounts received that exceed the amount of the contributions made, including, where applicable, the contributions imputed by the promoter, will be taxed as work income in the tax period in which they are received.

Note: Pan-European personal pension products

To the pan-European individual pension products regulated in the Regulation (EU) 2019/1238 of the European Parliament and of the Council of 20 June 2019 on a pan-European individual pension product shall apply to them in the IRPFABBR the treatment that corresponds to pension plans.

In particular:

- The benefits received by beneficiaries of pan-European individual pension products will in all cases be considered as income from work and will not be subject to Inheritance and Gift Tax .

- *If the taxpayer has economic rights derived from contributions to pan-European individual pension products, in whole or in part, in cases other than those provided for in the regulations of pension plans and funds, he must replace the reductions in the taxable base unduly made, through the appropriate supplementary or corrective self-assessments (from 2024), including late payment interest. Any amounts received that exceed the amount of regularized contributions will be taxed as employment income in the tax period in which they are received.*

• Exceptionally, and only for taxpayers affected by the DANA

However, in order to facilitate that those affected by the Isolated Depression at High Levels (DANA) can meet the unforeseen liquidity needs, Article 51 of Royal Decree-Law 7/2024, of November 11, which adopts urgent measures to promote the Plan for immediate response, reconstruction and relaunch in the face of the damage caused by the Isolated Depression at High Levels (DANA) in different municipalities between October 28 and November 4, 2024 (BOE November 12), **established in all these cases, on an exceptional basis and exclusively during the period between November 13, 2024 and May 12, 2025**, the possibility that participants in pension plans, as well as those insured under insured pension plans and company social welfare plans and members of mutual social welfare societies, for their supplementary funds, **may dispose of their vested rights in advance** in certain cases and setting a maximum amount of disbursement.

Conditions

1. When they are owners of agricultural, forestry or livestock farms, commercial, industrial and service establishments, workplaces and similar, located in the municipalities included in the geographical scope of application of this royal decree-law and that have suffered damage as a direct consequence of the isolated depression at high levels (DANA) ;
2. When they are self-employed workers who are forced to suspend or cease their activity as a direct consequence of the DANA, due to accidents occurring in the municipalities included in the geographical scope of application of this Royal Decree-Law ;
3. In the case of workers affected by temporary employment regulation files (ERTE) based on the provisions of article 47.5 of the consolidated text of the Workers' Statute Law, approved by Royal Legislative Decree 2/2015, of October 23, of companies with registered office in the municipalities included in the geographical scope of application of this royal decree-law that have suffered damages as a direct consequence of DANA ;
4. In the event of loss of the main residence, or damage to the aforementioned dwelling, as well as damage to the belongings of said dwelling when these cases have occurred as a direct consequence of the DANA and the dwelling is located in the municipalities included in the geographical scope of application of this royal decree-law.

Please note that the municipalities included in the geographical scope of application of this Royal Decree-Law are those listed in the Annex to Royal Decree-Law 6/2024, of November 5 (BOE of November 6).

Maximum withdrawal amount

The maximum withdrawal limit per participant, insured or mutual member, for all pension plans, insured pension plans, company social security plans and social security mutual funds of which they are holders and for all the situations indicated, will be the result of prorating the annual Public Indicator of Multiple Effects Income (IPREM) for 12 payments in force for the 2024 financial year (which amounts to 7,200 euros) multiplied by three for a maximum period of six months computed from November 13, 2024.

Therefore, $(7,200 \text{ euros} \times 3) \div 12 \times 6 = 10,800 \text{ euros}$.

Refund of consolidated rights

The reimbursement of vested rights will be subject to the tax regime established for pension plan benefits, that is, they are taxed as work income and are imputed to the year in which they are received.

6.2 Limits and excess contributions

A. Maximum annual contributions to social security systems that may give the right to reduce the tax base

Regulations: Art. 51.6 and Sixteenth Additional Provision of the Law IRPFABBR

- **Maximum annual contributions (except for collective dependency insurance)**

As of January 1, 2023, the set of maximum annual contributions made in the year to the social security systems, including, where applicable, those that have been imputed by the promoters, which may give the right to reduce the general tax base **may not exceed the following amounts:**

- **General limit: 1,500 euros per year** for the total of contributions and business contributions.

This general limit includes contributions from workers to both individual systems and employment-based social security systems, without the need in the latter case to be conditional on the making of employer contributions.

- **Increase from previous limit:**

It is necessary to distinguish:

1. **Increase for employer contributions and employee contributions to the same social security system: 8,500 euros**

The employee's contributions must be equal to or less than the amounts resulting from the following table depending on the total income received by the employee from the employer making the contributions and the annual amount of the employer's contribution:

8,500 euros provided that this increase comes from employer contributions to employment systems or from employee contributions to the same employment system for an amount equal to or less than such employer contributions.

Gross earnings of the worker (*)	Annual amount of the business contribution (**)	Maximum contribution of the worker (***)
Gross income from work equal to or less than 60,000 euros	Equal to or less than 500 euros.	The result of multiplying the business contribution by 2.5.
	Between 500.01 and 1,500 euros.	1,250 euros, plus the result of multiplying by 0.25 the difference between the business contribution and 500 euros.
	More than 1,500 euros.	The result of multiplying the business contribution by 1.
Gross income from work exceeding 60,000 euros	Any amount	The result of multiplying the business contribution by 1.

Notes to table :

(*) The total gross income received by the worker should not be considered, but rather the gross income that comes from **each employer who makes the contribution** . Therefore, the multiplier must be determined by considering the income from the various employers individually.

(**) **Contributions to different social security systems by the same employer** : The amount of employer contributions made by each employer to each of the social security systems individually must be taken into account, without adding up the employer contributions for these purposes.

Contributions to the same social security system by different employers: The contributions made by each employer individually must be taken into account.

(***) Contributions must be related to contributions made to the same social security system.

The amounts contributed by company **that derive from a decision by worker** will be considered as contributions from the worker.

Note: *The company making the contribution must inform the managing or insurer of the social welfare instrument, with respect to each of its workers, that the circumstance exists that the worker obtains in the year total income from work equal to or less than 60,000 euros from the company.*

2. Increase for contributions from self-employed workers: 4,250 euros

Note: the increase in this reduction limit, of 4,250 euros, provided for in article 52.1.b) 2 of the Law of IRPFABBR It cannot be multiplied by making contributions to various instruments mentioned in said precept, and detailed below.

It must be one of the following contributions:

- **Contributions to the sector pension plans provided for in article 67.1.a)** of the consolidated text of the Law on the Regulation of Pension Plans and Funds, made by self-employed workers or freelancers who join said plans by reason of their activity.

These are employment pension plans promoted by companies included in sector-specific collective agreements that implement pension commitments for their employees, with special attention to promoting their implementation in small and medium-sized companies.

- **Contributions to simplified occupational pension plans for self-employed workers or freelancers provided for in article 67.1.c)** of the consolidated text of the Law on the Regulation of Pension Plans and Funds;

These are pension plans for self-employed workers or freelancers, promoted by associations, federations, confederations or unions of associations of self-employed workers or freelancers, by unions, by professional associations or by social welfare mutual funds, in which the participants are exclusively self-employed workers or freelancers. The prior condition of being a member will not be required for the participant who wishes to join a plan promoted by an association of self-employed workers or freelancers.

- **Personal contributions made by the individual entrepreneur or professional to employment pension plans of which he/she is the promoter and, in addition, a participant.**
- **Personal contributions made by the individual entrepreneur or professional to Social Security Mutual Societies** of which he/she is a member.
- **Personal contributions made by the individual entrepreneur or professional to company social security plans or collective dependency insurance of which he or she is the policyholder and insured.**

Note: In any case, the maximum amount of reduction by applying the increases provided for in numbers 1 and 2 above will be 8,500 euros per year.

- **Maximum annual contribution for collective dependency insurance**

In addition, for the premiums paid by the company under collective dependency insurance contracts contracted by it to cover pension commitments and imputed to the worker, an additional limit is established, independent of the previous ones, of 5,000 euros per year.

These limits will be applied individually to each participant in the family unit.

Exceptionally, the sponsoring company may make contributions to an occupational pension plan of which it is the promoter when necessary to guarantee the current benefits or the rights of the participants in plans that include defined benefit schemes for retirement and the existence of a deficit in the pension plan has been revealed through actuarial reviews.

Special rule for sole proprietors: For the purposes of calculating this limit, the individual entrepreneur's own contributions to collective dependency insurance of which he is, in turn, the policyholder and insured, will be considered as **business contributions**.

Therefore, in the case of a self-employed individual or sole trader, since they do not simultaneously hold the status of worker, insured party and beneficiary, the independent limit of 5,000 euros for premiums to group long-term care insurance policies in Article 52.1 of the Law will not apply. IRPFABBR.

B. Joint maximum limit for reduction in the tax base

Regulations: Art. 52.1 Law IRPFABBR

1. In general

The maximum combined tax limit for reduction to be applied to the taxable base for contributions and payments imputed by the promoter to social security systems, including, where applicable, any excess amounts pending reduction, from the years 2020 to 2024, is constituted by **the smallest of the following amounts**:

1. **30% of the sum of net earnings from work and economic activities received individually during the fiscal year.**

The concept of net employment income that must be taken into account to apply the aforementioned limit is that defined in Article 19 of the Law on IRPFABBR That is, the result of reducing the total income (including the reduction by application of the reduction of article 18) by the amount of deductible expenses.

As regards the net income from economic activities, it is that determined prior to the application of the reductions provided for in article 32 of the Law of IRPFABBR. For these purposes, the net income from economic activities attributed by entities under an income attribution regime will be included in the aforementioned sum, provided that the participating taxpayer or member of said entities actually carries out the economic activity.

2. **1,500 euros per year**

This limit will be increased in the following cases, in the amounts indicated:

1. In 8,500 euros per year , provided that such increase comes from employer contributions, or from employee contributions to the same social security instrument for an amount equal to or less than the amounts resulting from the following table, based on the total income received by the employee from the employer making the contributions and the annual amount of the employer contribution:

Gross earnings of the worker	Annual amount of the business contribution	Maximum contribution of the worker
Gross income from work equal to or less than 60,000 euros	Equal to or less than 500 euros.	The result of multiplying the business contribution by 2.5.
	Between 500.01 and 1,500 euros.	1,250 euros, plus the result of multiplying by 0.25 the difference between the business contribution and 500 euros.
	More than 1,500 euros.	The result of multiplying the business contribution by 1.
Gross income from work exceeding 60,000 euros	Any amount	The result of multiplying the business contribution by 1.

For these purposes, amounts contributed by the company that derive from a decision by the employee will be considered as contributions by the employee.

2. In 4,250 euros per year , provided that such increase comes from any of the following contributions:

Note: the increase in this reduction limit, of 4,250 euros, provided for in article 52.1.b) 2 of the Law of IRPFABBR It cannot be multiplied by making contributions to various instruments mentioned in said precept, and detailed below.

- **Contributions to sector-specific occupational pension plans** provided for in article 67.1.a) of the consolidated text of the Law on the Regulation of Pension Plans and Funds, made by self-employed workers or freelancers who join said plans by reason of their activity.
- **Contributions to simplified occupational pension plans** of self-employed workers or freelancers provided for in article 67.1 c) of the consolidated text of the Law on the Regulation of Pension Plans and Funds.
- **Own contributions that the individual entrepreneur or professional makes to employment pension plans** , of which he is a promoter and, in addition, a participant.
- contributions made by the individual entrepreneur or professional to Social Security Mutual Societies of which he/she is a member.

- **Personal contributions made by the individual entrepreneur or professional to company social security plans .**

Remember: *In any case, the maximum amount of reduction by applying the increases provided for in numbers 1 and 2 above will be 8,500 euros per year.*

3. In addition, **5,000 euros per year** for the premiums for collective dependency insurance paid by the company.

The individual entrepreneur's own contributions to collective dependency insurance for which he is, in turn, the policyholder and insured, will be considered as employer contributions for the purposes of calculating this limit.

Note: *Please note that the tax base cannot be negative as a result of the reductions, so the amount of the reduction must also be taken into account as a limit for the reduction.*

Note: Pan-European personal pension products

To the pan-European individual pension products regulated in the Regulation (EU) 2019/1238 of the European Parliament and of the Council of 20 June 2019 on a pan-European individual pension product shall apply to them in the IRPFABBR the treatment that corresponds to pension plans.

In particular, the contributions of savers to pan-European individual pension products may reduce the general taxable base under the same terms as those made to pension plans and will be included in the maximum joint limit provided for in Article 52 of the Law on IRPFABBR for social security systems.

2. Particularities relating to severe or highly dependent care insurance

A distinction must be made between private insurance and collective insurance.

- **Private insurance:** without prejudice to the fact that they are subject to the above maximum reduction limits, in the case of premiums paid to private insurance covering the risk of severe or great dependency, it must also be taken into account that the total reductions made by all persons who pay premiums in favour of the same taxpayer, including those of the taxpayer himself, may not exceed 1,500 euros per year, regardless of the age of the taxpayer and, where applicable, the age of the contributor.
- **Collective insurance:** Pension commitments assumed by companies, including accrued benefits, may be implemented through collective dependency insurance contracts made in accordance with the provisions of the First Additional Provision of the consolidated text of the Law on Regulation of Pension Plans and Funds, approved by Royal Legislative Decree 1/2002, of November 29, in which the company will appear exclusively as the policyholder and the status of insured and beneficiary will

correspond to the worker. In this case, the premiums paid by the company under these insurance contracts and charged to the employee will have an independent reduction limit of 5,000 euros per year.

Comment: The first Additional Provision of the consolidated text of the Law on the Regulation of Pension Plans and Funds approved by Royal Legislative Decree 1/2002, of November 29, was amended, with effect from September 4, 2018, by the first article of Royal Decree-Law 11/2018, of August 31, on the transposition of directives regarding the protection of pension commitments with workers, the prevention of money laundering and entry and residence requirements for nationals of third countries and which modifies Law 39/2015, of October 1, on the Common Administrative Procedure of Public Administrations (BOE of September 4).

Income Tax Return 2025: in the section "Reductions for contributions to social security systems" of the declaration of IRPFABBR A distinction is made between:

- *Worker contributions, except those recorded in boxes [0438] and [0426]. Box [0465]*
- *Contributions made by the company that arise from a decision made by the employee. Box [0438]*
- *Contributions by the employee to the employment pension plan, social welfare mutual fund or company social welfare plan, provided that company contributions have been made. Box [0426]*
- *Business contributions to social security systems, except those made to collective dependency insurance and contributions from individual employers to social security systems. Box [0427]*
- *Contributions from self-employed workers, individual entrepreneurs or professionals. Box [0499]*
- *Contributions to collective dependency insurance. Box [0466]*

C. Excess contributions and contributions made and not reduced in previous years

Regulations: Articles 52.2 Law IRPFABBR; art. 51 and nineteenth transitional provision Regulation IRPFABBR

The amounts contributed by participants, mutual members or insured persons to social security systems, including those made by the promoter or by the company that have been imputed to them that could not have been subject to reduction **in the fiscal years 2020 to 2024** due to insufficient taxable income or due to the application of the percentage limit of 30 percent of the sum of net income from work and economic activities, **They will be charged to the current fiscal year, provided that it has been requested in the respective declarations.** to be able to reduce the excess in the following five exercises.

The reduction of the excess amounts for the years 2020 to 2024 will be carried out with priority given to the contributions made and contributions charged in the year and will be subject to the maximum reduction limits indicated above.

Regarding the **way to apply the excesses** The Personal Income Tax Regulations allow the application of the increased maximum limit (1,500 + 8,500 euros) regardless of the origin of the amounts contributed, understanding that in the year in which they were paid they respected the maximum annual contributions (Article 51.6 and Sixteenth Additional Provision of the Law of IRPFABBR).

On the other hand, excess amounts corresponding to premiums for collective dependency insurance will be charged within their own limit.

In the event that the limit of 30% of net income from work and economic activities or the amount of the general tax base **does not allow the application of** all contributions to social security systems and premiums to collective dependency insurance, the following procedure will be followed:

1. To calculate the applicable reduction, the maximum amounts that may be reduced for each of these concepts (that is, on the one hand, for contributions to social security systems and, on the other, premiums for collective dependency insurance) will be determined in each of the years, taking into account the amounts reduced by excesses from previous years.

For these purposes, **for contributions to social security systems**, the limit of article 52.1.b) of the Law of IRPFABBR It operates for its total increased amount (1,500 + 8,500) without distinguishing the origin of the contributions, provided that in the period in which they were made they complied with the financial limit of the Sixteenth Additional Provision of the Personal Income Tax Law in the wording that was in force in said period. The limit of 30% of net income from work and economic activities, or, ultimately, the amount of the general tax base, will operate as a global limit.

2. The amounts that can be reduced in each year will be applied in order of seniority and in the event that, for the same year, the total amounts cannot be reduced and contributions and employer contributions and premiums for collective dependency insurance concur in the same year, **will be reduced, first, the employer contributions and contributions.**

Note: Article 1 of Royal Decree 1039/2022, of December 27 (BOE of December 29) amended Article 51 and the nineteenth transitional provision of the Regulations of IRPFABBR to facilitate the application of the outstanding excesses to be reduced and mitigate their complexity. To this end, the proportional application of excess amounts between contributions is eliminated, and the application of the increased maximum limit (1,500 + 8,500 euros) is permitted regardless of the origin of the amounts contributed, on the understanding that in the year in which they were paid, the maximum annual contributions were respected.

D. Excess contributions and contributions corresponding to the fiscal year

Regulations: Arts. 52.2 Law IRPFABBR and 51 Regulation IRPFABBR

As a result of the priority reduction of amounts outstanding from previous years, it is possible that not all of the amounts contributed **in year** can be reduced, including, where applicable, the promoter's contributions or those made by the company that have been attributed to them, **due to insufficient tax base or due to application of the percentage limit of 30%** of the sum of net income from work and economic activities mentioned above, generating an excess that can be carried over to future years.

This excess **It can be applied in the following five exercises.** respecting the total increased limit referred to in 52.1 of the Law of IRPFABBR, regardless of the origin of the amounts contributed, excluding the additional limit applicable to group long-term care insurance premiums paid by the company.

Note: *the amounts corresponding to the excess contributions made and not reduced in the years 2020 to 2024 Amounts pending application at the beginning of the year, those applied in the declaration, and the remaining balance pending application in future years, as well as the contributions and payments of 2025 not applied, the amount of which is requested to be reduced in the following 5 years, must be stated in Annex C.3 of the declaration, in one of the following sections, as appropriate: "Unreduced excess of employer contributions to social security systems for the years 2020 to 2024 pending reduction except for employer contributions to group long-term care insurance," or in the section relating to "Excess not reduced derived from employer contributions to group dependency insurance pending reduction in subsequent years."*

Example: contributions to social security systems

Mr. SMG Single, he contributed the amount of 2,000 euros in 2024 to the employment pension plan promoted by the company he works for. For its part, the company made a corporate contribution of 4,000 euros to the aforementioned pension plan and 2,000 euros to a collective dependency insurance contract that it contracted to implement the commitments assumed with its staff in the agreement.

Not being able to reduce the tax base for all the contributions and contributions, Mr. SMG requested, in his individual statement of IRPFABBR of the 2024 fiscal year, reduce in the following five fiscal years the outstanding excess amounting to 3,500 euros for contributions to the pension plan, and 1,500 euros for the employer's contribution to the group dependency insurance.

With regard to the 2025 tax year, the taxpayer has made contributions to the private pension plan amounting to 500 euros. For its part, the company has made contributions of 1,400 euros to its employee pension plan and 1,000 euros to the collective dependency insurance.

Furthermore, the company where Don SMG works has implemented, in agreement with its employees, a "Flexible Remuneration System", under which they can replace monetary remuneration with remuneration in kind or remuneration in kind with other remuneration provided that the total amount allocated to flexible remuneration does not exceed 30% of their total annual remuneration. Specifically, employees are offered the opportunity to contribute amounts on their own behalf to the same pension plan of the company's employment system. Based on the above, Don SMG requests that they contribute 2,300 euros to the company's employment system pension plan.

Determine the applicable reduction for contributions to pension plans in the 2025 tax year, knowing that in that year the taxpayer obtained gross employment income from the company "RP" where he works of 35,000 euros, and that his net employment income amounts to 30,500 euros and coincides with his general taxable base, which is also 30,500 euros.

Solution:

GENERAL TAXABLE BASE = 30,500

REDUCTIONS FOR CONTRIBUTIONS AND CONTRIBUTIONS TO THE PENSION PLAN

The steps to follow are those:

1. **Verify that the amounts contributed in 2025 do not exceed the maximum annual contributions allowed by Article 51.6 and the Sixteenth Additional Provision of the Personal Income Tax Law:**

- Contributions to the individual pension plan made in 2025: 500 euros.

The maximum annual amount of contributions and employer contributions is 1,500 euros.

Therefore, contributions to the individual pension plan made in 2025 are within the aforementioned limit.

- Company contributions and employee contributions under the Flexible Compensation Plan made in 2025: 1,400 euros (contributions) + 2,300 euros ("Flexible Remuneration System" contributions) = 3,700 euros.

The general limit above (1,500 euros) can be increased to 8,500 euros provided that such increase comes from employer contributions to employment schemes or from employee contributions to the same employment scheme for an amount equal to or less than the amount resulting from the table contained in article 52.1.1 of the Law of IRPFABBR.

For the purposes of this additional limit, as Mr. SMG has obtained total earnings from work in the year of less than 60,000 euros and the annual amount of the contribution made by the company does not exceed 1,500 euros, the maximum amount that he can contribute to the occupational pension plan is:

$$1,250 \text{ euros} + 0.25 (1,400 \text{ euros} - 500 \text{ euros}) = 1,475 \text{ euros.}$$

In view of the above, with regard to the reduction in contributions made by Mr. SMG to the employment pension plan (2,300 euros), we find the following:

- Up to 1,475 euros, corresponding to the maximum contributions of the worker calculated above, would be included in the increase of the general limit for contributions of the worker to the same social security system and,
- The remaining 825 euros (2,300 – 1,475) are subject to the general limit, taking into account that this, the general limit, has already been reduced by the amount of contributions to the Individual Pension Plan (1,500 – 500 = 1,000).

Therefore, all amounts for contributions and contributions are within the annual limit.

- Premiums for group long-term care insurance paid in 2025: 1,000 euros.

For collective dependency insurance, an additional limit of 5,000 euros per year is established for the premiums paid by the company. Therefore, the premiums paid in 2025 are within this limit.

2. Determination of the joint maximum limit for reductions :

The maximum combined limit for reductions (both for excesses corresponding to the 2024 financial year and for contributions to pension plans made in the 2025 financial year) is the lower of the following amounts:

- Percentage limit:** 30% of 30,500 euros of net work income = 9,150 euros.

b. Limit on contributions and contributions: 10,000 euros for contributions and contributions + 5,000 euros for collective dependency insurance.

- 1,500 euros per year for contributions and contributions.
- An increase of 8,500 euros in the previous amount, provided that such increase comes from employer contributions, or from employee contributions to the same social security instrument for an amount equal to or less than the amounts resulting from the table provided for in Article 52.1.1 of the Law of IRPFABBR based on the annual amount of the employer's contribution and the total employment income earned by the taxpayer from the company making the contribution.
- Additionally, 5,000 euros for contributions to collective dependency insurance.

c. The amount of the general tax base of taxpayer (30,500 euros)

Please note that the tax base cannot be negative as a result of the reductions, so the amount of the general tax base must also be taken into account as a limit for the reduction.

Therefore , in this case **the maximum joint limit of the reduction will be the percentage limit of 30% on the work income which amounts to 9,150 euros.**

3. Reduction of excesses corresponding to the previous year 2024: 5,000 euros

The amount pending reduction from 2024, which amounts to 5,000 euros (3,500 euros for contributions and 1,500 euros for contributions to the group dependency insurance) does not exceed the maximum joint reduction limit applicable in 2025 (which is 9,150 euros) and is applied first to the taxable base and for its total amount.

Once the excess from the 2024 financial year has been applied, the amount eligible for reduction in the taxable base for the contributions and payments corresponding to the 2025 financial year cannot exceed 4,150 euros (9,150 maximum joint limit – 5,000 excesses from the previous financial year).

4. Reduction for contributions and payments corresponding to the 2025 fiscal year:

9,150 euros (30% RT) – 5,000 euros (excess 2024 fiscal year) = **4,150 euros**

5. Amounts subject to reduction in the taxable base for contributions and payments in 2025:

- Amounts from contributions to the private pension plan: 500 euros.
- Amounts from business contributions: 1,400 euros.
- Amounts contributed by the worker under the concept of Flexible Remuneration: 2,300 euros.
- Amounts from contributions to collective dependency insurance: 1,000 euros.

Total contributed: 5,200 euros.

Of the total contributed in 2025, which amounts to 5,200 euros, it is only possible to reduce it to 4,150 euros (9,150 euros – 5,000 euros of excess from the 2024 financial year), which are distributed as follows:

- For business contributions and contributions 4,150 euros.
- For contributions to collective dependency insurance: 0 euros.

Note: As regards the distribution of the 4,150 euros, it has been decided to reduce the employer contributions and contributions first, as this is more beneficial for the taxpayer, since there is a separate limit for collective dependency insurance, but nothing prevents the taxpayer from first applying the amounts corresponding to these premiums.

GENERAL TAXABLE BASE (30,500 – 9,150) = 21,350

EXCESSES FROM FISCAL YEAR 2025 TO BE REDUCED IN THE FOLLOWING 5 FISCAL YEARS

By reducing the amount of 4,150 euros in contributions, the following amounts would remain pending for the next five years, completing the corresponding subsections of Annexes C.3 and C.4 of the declaration:

- 4,200 euros contributed - 4,150 (remaining joint limit) = 50 euros of contributions.
- 1,000 euros in contributions to collective dependency insurance.

Since in future years the application of excesses does not require distinguishing between contributions and contributions, it is not necessary to know which part corresponds to each concept; Only contributions to collective dependency insurance have a differentiated limit.

In short:

General tax base = 30,500

Reduction for contributions and business contributions to pension plans:

- Reduction of excesses 2024= **-5,000**
- Remaining tax base (30,000 - 5,000) = 25,500
- Reduction for contributions and payments 2025(*) = **-4,150**
- Contributions made (500 + 1,400 + 2,300 + 1,000) = 5,200

Contributions made = 500

Business contributions = 1,400

Flexible remuneration = 2,300

To the collective dependency insurance = 1,000

- Applicable limit = 4,150

General taxable base $(30,500 - 5,000 - 4,150) = 21,350$

Excesses for the 2025 fiscal year:

For contributions and contributions = 50

For contributions to collective dependency insurance = 1,000

(*) The amount corresponding to the remainder of the joint limit is less than the sum of the contributions made in 2025 to the set of social security instruments, so it can only be reduced up to that amount, 4,150 euros, leaving the excess pending reduction for the following 5 years as specified above.

Table: Reductions in tax base applicable for contributions and contributions to social security systems

A. Employment system pension plans (including simplified ones), Social Security Plans and Social Security Mutual Funds

1. Contributions made by the company

Situations	Rating for the purpose of applying limits (Art. 52 Law IRPFABBR)	Tax treatment for the worker	Limits
The company decides	Corporate contribution	Compensation in kind without payment on account + Reduction in the Taxable Base Note: For the company, it is a deductible expense.ES/IRPFABBR(EDN/EDS)	1,500 + 8,500
Flexible compensation (worker decides): Limit of 30% of the total annual remuneration for all remuneration in kind (art. 26.1 of the ET)	Worker's contribution	Compensation in kind without payment on account + Reduction in the Taxable Base	1,500 + 1. Workers with RNT = or > 60,000 euros Result of multiplying business contributions by 1. Maximum 4,250
Payment mediation (by order and account of the worker)	Worker's contribution	(Monetary compensation + withholding) + Reduction in the Taxable Base	2. Workers with RNT < 60,000 euros - Contribution = or < 500 euros. The result of multiplying the business contribution by 2.5. Maximum 1,250 - Contribution between 500.01 and 1,500 euros = $1,250 + 0.25 \times (CE - 500 \text{ euros})$. Maximum 1,500 - Contribution

Situations	Rating for the purpose of applying limits (Art. 52 Law IRPFABBR)	Tax treatment for the worker	Limits
			between + 1,500 euros = CE x 1. Maximum 4,250
(*) Abbreviations used in the table: • ES: Corporation Tax • Personal Income Tax: Personal income tax • EDN/EDS: direct estimation method for determining the net income of economic activities in personal income tax. Normal mode and simplified mode • RNT: Net labor income • EC: Corporate contribution			

2. Contributions made by the worker

Situations	Rating for the purpose of applying limits (Art. 52 Law IRPFABBR)	Tax treatment for the worker	Limits
Direct payment - Voluntary contribution	Worker's contribution	Reduction in the tax base	1,500 + 1. Workers with RNT = or > 60,000 euros Result of multiplying business contributions by 1. Maximum 4,250 2. Workers with RNT < 60,000 euros • Contribution = or < 500 euros. The result of multiplying the business contribution by 2.5. Maximum 1,250 • Contribution between 500.01 and 1,500 euros = 1,250 + 0.25 x (CE - 500 euros). Maximum 1,500 • Contribution between + 1,500 euros = CE x 1. Maximum 4,250

Situations	Rating for the purpose of applying limits (Art. 52 Law IRPFABBR)	Tax treatment for the worker	Limits
(*) Abbreviations used in the table: • RNT: Net labor income • EC: Corporate contribution			

B. Pension Plans of the associated system and Pension Plans of the individual system and Insured Provident Plan

Contributor	Situations	Rating for the purpose of applying limits (Art. 52 Law IRPFABBR)	Tax treatment for the worker	Limits
The company	The worker chooses the social security product to contribute to (the company acts as a simple mediator)	Worker's contribution	(Monetary compensation + withholding) + Reduction in the Taxable Base	1,500
The worker	The worker chooses the social security product to which he contributes.	Worker's contribution	Reduction in the tax base	
Self-employed or self-employed worker/individual entrepreneur or professional	Contributions made by the self-employed businessman or professional himself for him	Corporate contribution	Reduction in the tax base	1,500 + 4,250

C. Simplified employment pension plans provided for in article 67 TRFPF and Social Security Mutual Funds

Contributor	Situations	Rating for the purpose of applying limits (Art. 52 Law IRPFABBR)	Tax treatment for the worker	Limits
Self-employed or self-employed worker/individual entrepreneur or	Contributions made by the self-employed businessman or professional himself for	Corporate contribution	Reduction in the tax base	1,500 + 4,250

Contributor	Situations	Rating for the purpose of applying limits (Art. 52 Law IRPFABBR)	Tax treatment for the worker	Limits
professional	him			

7. Contributions to social security systems in which the taxpayer's spouse is a participant, mutual member or owner

In general

Notwithstanding the reductions made in accordance with the general regime of contributions to social security systems discussed above, **the contributions made to social security systems of spouse** may reduce the general tax base of the taxpayer with **the maximum limit of 1,000 euros per year**, without this reduction being able to generate a negative taxable base, provided that the following requirements are met:

- a. That the spouse does not obtain net income from work or economic activities, or obtains such income in an amount less than 8,000 euros per year.
- b. That the contributions are made to any of the social security systems mentioned so far in which said spouse is a participant, member or holder.

Note: *Transfers between spouses that occur as a result of this special reduction regime are not subject, by express legal provision, to the Inheritance and Gift Tax, up to the limit of 1,000 euros per year.*

Compatibility with reductions applied for direct contributions and contributions imputed to the taxpayer's social security systems

The application of this reduction may in no case entail a double reduction (for the taxpayer and his/her participating spouse) for the same contributions. However, there is no limitation as to who (the taxpayer or his/her participating spouse) applies the reduction.

If the taxpayer's spouse earns net income from work or economic activities in an amount less than 8,000 euros per year, and chooses to apply the tax reduction on contributions made to the social security systems of which he or she is a participant, member or holder, he or she must determine the amount of the tax reduction in accordance with the maximum reduction limits mentioned above.

If the contributions cannot be reduced in their entirety between both parties (the spouse, in accordance with the general limits, and the taxpayer, according to this additional reduction regime), it will be the participating spouse, member or owner who requests to transfer the excess of contributions not reduced to future years. The following year, the excess may be reduced by again taking into account the limits applicable to contributions.

Example: Contributions to social security systems in which the taxpayer's spouse is a participant, mutual member or owner

In the 2025 tax year, the general taxable income of a taxpayer, aged 44, is 49,800 euros, with the sum of the net income from work and economic activities obtained by the same amounting to 45,000 euros.

The general tax base of her 41-year-old spouse is 4,900 euros, with the sum of the net income from work and economic activities obtained by him being 4,500 euros.

In this year, the taxpayer and his spouse have made direct contributions to two pension plans in which each of them is a participant, with contributions from the taxpayer amounting to 1,250 euros and contributions from the spouse amounting to another 1,500 euros.

Determine the applicable reductions based on direct contributions made by the spouse.

Solution:

Regardless of the reduction that, according to the general regime, corresponds to the contributions made by the taxpayer to his own pension plan, to determine the applicable reductions based on the 1,500 euros contributed by the spouse, the following options are possible:

Applicable reduction	Option 1	Option 2
Reduction applicable by the taxpayer	150 (1)	Part up to 1,000 (2)
Reduction applicable by the spouse	1,350	Part up to 500 (2)

Notes on the example

(1) The spouse who owns the contributions applies, in accordance with the general regime, the maximum possible reduction corresponding to his or her contributions. The maximum reduction limit, 30 percent of the sum of your net income from work and economic activities obtained in the year ($4,500 \times 30\% = 1,350$), is lower than the amounts to the total amount of contributions made, 1,500 euros, so a reduction will apply for the 30% limit. That is, for 1,350

The taxpayer, since the spouse has reduced 1,350 of the total contributions made, will be able to reduce the remaining amount ($1,500 - 1,350 = 150$) by not exceeding the limit of 1,000 euros. [\(Back\)](#)

(2) Each spouse applies the reduction for the amount they wish, provided that the amount corresponding to the taxpayer does not exceed 1,000 euros (amount contributed within the maximum limit of additional reduction) and the amount corresponding to the spouse does not exceed 1,350 euros ($4,500 \times 30\%$) and without the total sum exceeding the total amount of 1,500 euros contributed by the spouse. [\(Back\)](#)

8. Pan-European Personal Pension Products

Regulations: Fifty-second Additional Provision of the Law IRPFABBR

To the pan-European individual pension products regulated in the Regulation (EU) 2019/1238 of the European Parliament and of the Council of 20 June 2019 on a pan-European individual pension product shall apply to them in the IRPFABBR the treatment that corresponds to pension plans.

In particular:

- a. The contributions made by savers to pan-European individual pension products may reduce the general tax base in the same way as those made to pension plans and will be included in the joint maximum limit provided for in article 52 of the Personal Income Tax Law and for social security systems.
- b. Benefits received by beneficiaries of pan-European individual pension products will in all cases be considered as work income and will not be subject to inheritance and gift tax.
- c. If the taxpayer has economic rights derived from contributions to pan-European individual pension products, in whole or in part, in cases other than those provided for in the regulations of pension plans and funds, he must replace the reductions in the taxable base unduly made, through the appropriate supplementary or corrective self-assessments (from 2024), including late payment interest. Any amounts received that exceed the amount of regularized contributions will be taxed as employment income in the tax period in which they are received.

Reductions for contributions and contributions to social security systems established in favor of people with disabilities

Regulations: Articles 53 and Tenth Additional Provision of the Law IRPFABBR; Regulations 50 and 51IRPFABBR

See also the Fourth Additional Provision of the Revised Text of the Law on the Regulation of Pension Plans and Funds.

Contributions made to pension plans, mutual social security funds, insured pension plans, company pension plans and dependency insurance established for persons with disabilities give the right to reduce the general tax base in accordance with the following financial and tax regime:

1. Beneficiaries and contributors

Beneficiaries

Social security systems must be established in favor of one of the following persons with disabilities:

- a. People affected by a degree of physical or sensory disability equal to or greater than 65% .
- b. People affected by a degree of mental disability equal to or greater than 33%.
- c. Persons **subject to judicially established guardianship** :

Note: The degree of disability will be accredited by a certificate issued in accordance with the applicable regulations or by a final court ruling (Art. 12 of the Regulations on pension plans and funds).

People who can make contributions

- a. **The disabled person himself/herself participates.** In this case, the contributions will entitle the taxpayer with a disability to reduce the general tax base in his or her tax return.
- b. **Those who have a direct or collateral family relationship with the disabled person up to the third degree inclusive, as well as the spouse or those who have been in charge of the disabled person under a guardianship or foster care regime or those who have been judicially appointed as the participant's curator,** provided that the disabled person is designated as the sole and irrevocable beneficiary for any contingency.

However, the death of a disabled person may give rise to the right to widowhood or orphanhood benefits or benefits in favour of those who have made contributions in favour of the disabled person in proportion to their contribution.

By express legal provision contained in article 53.3 of the Law of IRPFABBR, the contributions made by the persons mentioned in letter b) **They are not subject to Inheritance and Gift Tax.**

2. Limits and excess contributions

A. Maximum annual contributions that may entitle you to reduce the tax base

Regulations: Tenth Additional Provision of the Law IRPFABBR

The maximum annual contributions to social security systems established for the benefit of persons with disabilities, for the purposes of the provisions of article 5.3 of the consolidated text of the Law on the Regulation of Pension Plans and Funds, are:

- a. **24,250 euros per year** for contributions made by participating disabled people.
- b. **10,000 euros per year** for contributions made by each of the persons with whom the disabled participant has a direct or collateral relationship up to the third degree inclusive, by the spouse or by those who have him or her under a guardianship or foster care regime or by the person who has been judicially appointed as the participant's curator. All of this is without prejudice to the contributions that these people may make to their respective pension plans.

Additional Provision Ten.2 and Article 53.1.b) of the Law of IRPFABBR They recognize the possibility for the relative or the person judicially appointed as guardian of the person with a disability to combine contributions to the pension plan of the person with a disability with contributions they may make to their own pension plan of the general system, respecting the limits set by law. However, this possibility is not mentioned in relation to the disabled person themselves, which is why contributions made by the disabled

person participating in their own pension plan for disabled people are considered incompatible with the same person's contributions to social security systems established in favour of other disabled people with whom they have a relationship of kinship or guardianship or who hold representative curatorship.

- c. **24,250 euros per year** , taking into account both the contributions made by the disabled person and those made by all other persons who make contributions on behalf of the same disabled participant.

Failure to comply with these annual contribution limits will be subject to the penalty provided for in article 36.4 of the consolidated text of the Law on the Regulation of Pension Plans and Funds. For these purposes, when there are several contributions in favour of the disabled person, it will be understood that the limit of 24,250 euros is covered, first, with the contributions of the disabled person himself, and when these do not exceed said limit with the remaining contributions in proportion to their amount.

B. Maximum reduction limit

The annual contributions made in 2025 and, where applicable, the excess contributions made and not reduced in the years 2020 to 2024, may be subject to a reduction of the taxable base of IRPFABBR of the current fiscal year with the following maximum limits:

- a. **24,250 euros per year** for contributions made by the participating disabled person.
- b. **10,000 euros per year** for contributions made by each of those with whom the disabled person has a kinship or guardianship relationship or who hold representative curatorship, as well as by the spouse. All of this is without prejudice to the contributions they may make to their own pension plans.
- c. **€24,250 per year for all reductions made** by all persons who make contributions in favour of the same disabled person, including those of the disabled person themselves.

When several contributions are made in favour of the same disabled person , the reduction will be made, first of all, on the contributions made by the disabled person themselves and, only if they do not reach the limit of **24,250 euros per year** , may the contributions made by other persons in their favour be subject to a reduction in their tax base, in proportion to the amount of said contributions.

See in this regard, within the "[Practical case](#)" included in this same Chapter, the case of concurrent contributions to a pension plan established in favor of a person with a disability.

Note: *When the disabled person himself/herself simultaneously makes contributions to social security systems in general and to social security systems established for the benefit of disabled persons, the highest limit that exists individually for each system must be applied as a joint limit to both systems.*

C. Pending excesses to be reduced from contributions made in previous years

Contributions made to social security systems established in favor of people with disabilities that, due to insufficient taxable income, could not be reduced in the declarations corresponding to the years 2020 to 2024, may be reduced in the current year, provided that it was requested in the respective declarations to be able to reduce the excess in the following five years.

The reduction of excesses, which will be carried out subject to the maximum reduction limits discussed in the previous section, will be carried out with priority to that corresponding to direct contributions or business contributions imputed in the fiscal year itself.

D. Excess contributions corresponding to the year that could not be reduced

Taxpayers who have made contributions in the year in favour of the same disabled person under the terms discussed above may request that the amounts contributed which, due to insufficient tax base for the year, could not be reduced, be reduced in the following five years.

For this purpose, the request must be made in the declaration of IRPFABBR of the year in which the contributions made could not be reduced because they exceeded the aforementioned limits.

Attention : *The amounts corresponding to the excess contributions pending reduction from the years 2020 to 2024 pending application at the beginning of the year, those applied in the declaration and the remaining balance pending application in future years, as well as the excess contributions corresponding to the year 2025 not applied whose amount is requested to be reduced in the following 5 years, must be stated in Annex C.4 of the declaration in the section "Excess not reduced of the contributions and contributions to social security systems constituted in favor of persons with disabilities pending reduction in the following years."*

3. Perception of benefits and early disposition of consolidated rights

The [perception of benefits](#) and the consequences of the [early disposition of consolidated rights](#) in cases other than those provided for in the regulations governing social security systems established for the benefit of persons with disabilities, are those discussed in the "Common rules applicable to contributions to social security systems" in this same Chapter.

See articles 13, 14 and 15 of the Regulation on pension plans and funds, approved by Royal Decree 304/2004, of February 20, as amended, with effect from July 21, 2023, by the sole article of Royal Decree 668/2023, of July 18 (BOE of July 20).

Reductions for contributions to protected assets of persons with disabilities

Regulations: Articles Law 54 IRPFABBR and 71 Regulation IRPFABBR

Note: Please note that Law 13/2023, of May 24 (BOE of May 25) has modified the aforementioned Law 41/2003, of November 18, on the protection of the assets of people with disabilities, to equate the protected assets of people with disabilities formalized in accordance with the autonomous civil law in those Autonomous Communities with constitutional powers to regulate their own civil, regional or special law, in this matter, with the protected assets constituted in accordance with the aforementioned Law 41/2003, for the purposes of applying, under the same terms and conditions, all tax benefits that affect them.

1. Beneficiaries and contributors

Beneficiaries

Includes:

1. Holders of protected assets established in accordance with Law 41/2003.

Law 41/2003, of November 18, on the protection of the assets of people with disabilities and amending the Civil Code, the Civil Procedure Act and the Tax Regulations for this purpose (BOE of December 19), regulates the figure of specially protected assets of people with disabilities, which is immediately and directly linked to the satisfaction of the vital needs of these people, establishing a set of measures aimed at promoting the creation of said assets and the contribution, free of charge, of assets and rights to them.

According to article 2 of the aforementioned Law 41/2003, only persons affected by the following degrees of disability may be holders of protected assets:

- Mental disability equal to or greater than 33%.
- Physical or sensory disability equal to or greater than 65%.

2. Holders of protected assets constituted in accordance with the autonomous civil law (Third Final Provision of Law 41/2003) .

As of May 26, 2023, in accordance with the provisions of the Third Final Provision of Law 41/2003, any person with a disability who is the owner of a protected asset that has been formalized in accordance with the respective laws that regulate this figure for the same purpose in the different Autonomous Communities with constitutional powers to regulate their own civil, regional or special law in this matter is considered a beneficiary.

Contributors

A distinction must be made between:

1. Taxpayers whose contributions entitle them to the reduction in the IRPFABBR

They will entitle you to reduce the general taxable base of IRPFABBR of the contributor, the contributions to the protected assets of the person with a disability made, in cash or in kind, by the following taxpayers:

- a. Those who have a direct or collateral relationship with the disabled person up to the third degree inclusive.
- b. The spouse of the disabled person.
- c. Those who are in charge of a person with a disability under guardianship or foster care, or, following Law 8/2021, those who have been judicially appointed as the participant's guardian.

Note: *In relation to guardianship, please note that, as of the entry into force of Law 8/2021, of June 2, reforming the Civil Code, which reforms civil and procedural legislation to support people with disabilities in the exercise of their legal capacity, the references contained in the Personal Income Tax Law to it, in the case of adults with disabilities, may be understood to refer to:*

- on the one hand, to the guardians appointed by court decisions prior to Law 8/2021 (until a new court decision has been issued replacing them with new measures adapted to Law 8/2021), and,

- on the other hand, to the curators with representative functions appointed after the entry into force of Law 8/2021 (both in judicial resolutions relating to cases of new disability situations, and in judicial resolutions issued in substitution of other resolutions prior to said Law 8/2021).

2. Taxpayers whose contributions do not entitle them to the reduction in it IRPFABBR

Regulations: Art. 54.4 and 5 Law IRPFABBR

The following contributions do not generate the right to a reduction:

- a. The contributions of elements related to the activity made by the taxpayers of IRPFABBR that carry out economic activities.
- b. The contributions of which the contributor is aware, as of the accrual date of IRPFABBR, which have been disposed of by the owner of the protected heritage.
- c. Contributions made by the disabled person who is the owner of the protected assets.

2. Maximum limits and excess contributions made

Regulations: Art. 54 .1 and 2 Law IRPF

A. Maximum reduction limits

Contributions made during the year to the protected assets of persons with disabilities and, where applicable, the excess contributions made and not reduced in the years 2021 to 2024, may be subject to reduction in the taxable base of the current year in accordance with the following maximum limits:

- a. **10,000 euros per year** for each contributor and for the set of protected assets to which they make contributions.
- b. **24,250 euros annually** for all reductions made by all persons who make contributions in favour of the same protected assets.

When several contributions are made in favour of the same protected assets and this last limit is exceeded (24,250 euros), the reductions corresponding to said contributions must be reduced proportionally to the amount of the respective contributions, so that the total reductions made by all natural persons who make contributions in favour of the same protected assets **do not exceed 24,250 euros per year**.

See in this regard, within "[Practical case](#)" included in this same Chapter, the case of concurrent contributions to the protected assets of a person with a disability.

In the case of non-monetary contributions, the amount of the contribution will be taken as that resulting from the provisions of article 18 of Law 49/2002, of December 23, on the tax regime of non-profit entities and tax incentives for patronage (BOE of December 24), there being no capital gain or loss on the occasion of contributions to protected assets established in favor of people with disabilities.

Therefore:

As regards the valuation of non-monetary contributions consisting of assets and rights, in accordance with article 18 of Law 49/2002, of 23 December, the amount will be the book value of the asset or right at the time of transfer and, failing that, the value determined in accordance with the rules of the Wealth Tax.

As regards its tax treatment for contributors, there is no capital gain or loss [art. 33.3.e) of the Law of IRPFABBR] up to the limits that entitle one to the reduction. But for the excess, yes.

Furthermore, it should be taken into account that, in accordance with the Third Additional Provision of Law 41/2003, of November 18, on the protection of the assets of persons with disabilities and amending the Civil Code, the Civil Procedure Act and the Tax Regulations for this purpose (BOE of December 19), the person with a disability for whose benefit the protected assets are established shall be deemed to be the owner of the assets and rights that make up said assets and that contributions made to them by persons other than said owner constitute transfers to them for profit.

Important : For the person with a disability who is the holder of the protected assets, the contributions are considered [work returns](#) to whom the [exemption provided for in Article 7.w\)](#) Law IRPFABBR.

See Chapter 3 of the Manual for the [table of contributions to protected assets of persons with disabilities](#).

B. Pending excesses to be reduced from contributions made in previous years

Contributions made that could not be reduced in the 2021 to 2024 tax years because they exceeded the quantitative limits of tax reduction or because of insufficient taxable income, will be attributed to the current tax year, provided that it was requested in the respective declarations to be able to reduce the excess in the following four tax years. The reduction of excess amounts, which will be carried out subject to the maximum reduction limits discussed below, will be carried out with priority to that corresponding to the contributions made in the financial year.

C. Excess contributions corresponding to the fiscal year

Contributions made in 2025 that exceed the maximum limits mentioned above, including the one relating to the positive amount of the taxpayer's general taxable income, **will entitle the taxpayer to reduce the taxable base of the following four tax periods**, until the maximum reduction amounts are exhausted, where applicable, in each of them.

Attention: *The amounts corresponding to the excess contributions pending reduction from the years 2021 to 2024, pending application at the beginning of the year, those applied in the declaration, and the remaining balance pending application in future years, as well as the excess contributions corresponding to the year 2025 not applied, the amount of which is requested to be reduced in the following 4 years, must be stated in Annex C.4 of the declaration in the section "Excess of contributions to protected assets of persons with disabilities pending reduction." reduce in the following exercises"*

3. Advance disposition of the assets or rights provided

Regulations: Art. 54 . 5 Law Income Tax

Note: *Acts of early disposal are not considered to be those that, subject to the administration regime of the aforementioned Law 41/2003, involve an active administration of the protected assets aimed at maintaining the productivity and integrity of the assets.*

The assets and rights contributed to the protected assets of persons with disabilities cannot be disposed of in the tax period in which the contribution is made or in the following four.

Once this period has elapsed, any acts of disposal carried out will have no tax consequences with respect to the tax benefits applied in relation to these contributions.

Notwithstanding the foregoing, it is permitted, on an exceptional basis, to carry out acts of disposal in advance, without respecting the period required in article 54.5 of the Law of IRPFABBR, and without said acts giving rise to the corresponding regularization of the reductions already made. Thus, for example, the application of contributions made to the protected assets to the performance of the following acts will not give rise to regularization:

- Making financial or real estate investments, provided that it is carried out in accordance with the administration regime regulated in Article 5 of Law 41/2003, of November 18, on the protection of the assets of persons with disabilities and amending the Civil Code, the Civil Procedure Law and the Tax Regulations for this purpose (BOE of November 19) and the new asset acquired replaces the asset or right

initially contributed to the protected estate. The above implies that the calculation of the period established in article 54.5 of the Personal Income Tax Law will be carried out in relation to the asset or right initially contributed or that which may replace it, for which the appropriate identification of the same will be necessary.

- Meeting the vital needs of the asset holder with the fruits and returns of the established assets.
- Acts that involve active management of assets carried out in accordance with the management regime provided for in Law 41/2003, such as the expenses necessary for the constitution of assets and for the incorporation of additional assets into them.

Note that the expenditure of money and the consumption of fungible goods integrated into the protected estate, when made to meet the vital needs of the beneficiary, should not be considered as a disposal of assets or rights, for the purposes of the requirement to maintain the contributions made during the four years following the exercise of their contribution established in article 54.5 of the Law of IRPFABBR.

Failure to comply with this requirement, except in cases of death of the owner of the protected assets, the contributor or the workers referred to in the current article 37.2 of the LIS, entails the following tax obligations, which are discussed below:

a) Obligations for the contributing taxpayer of IRPFABBR.

The contributor must replace the reductions in the taxable base unduly made by submitting the appropriate supplementary or corrective self-assessment (from 2024) including the applicable late payment interest, within the period between the date of the disposition and the end of the regulatory declaration period corresponding to the tax period in which the disposition is made.

b) Obligations for the owner of the protected assets.

The owner of the protected assets who received the contribution must include in the taxable base the portion of the contribution received that was not included in the tax period in which the contribution was received due to the application of the [exemption regulated in article 7.w\) of the Law of IRPFABBR](#), by submitting the appropriate supplementary or corrective self-assessment (from 2024) including any applicable late payment interest, within the period between the date of the provision and the end of the regulatory declaration period corresponding to the tax period in which the provision is made.

Contributions made to the protected assets of persons with disabilities are considered as employment income for the person with a disability, but benefit from the exemption regulated in article 7.w) of the Law of IRPFABBR which reaches a maximum combined annual amount of three times the IPREM.

In cases where the contribution has been made to the protected assets of relatives, spouses or dependents of workers under guardianship or foster care, by a taxpayer of Corporate Tax, the obligation to regularize described in the previous section must be fulfilled by said worker.

The employee who owns the protected assets is obliged to inform his contributing employer of any advance provisions made during the tax period.

In cases where the provision has been made from the protected assets of relatives, spouses or dependents of workers under guardianship or foster care, the aforementioned communication must also be made by said worker.

Failure to communicate or making false, incorrect or inaccurate communications will constitute a minor tax offence punishable by a fixed monetary fine of 400 euros.

Note: *In the case of homogeneous assets or rights, it will be understood that those contributed first were disposed of.*

Reductions for compensatory pensions and annuities for food

Regulations: Art. 55 Law IRPFABBR

1. Compensatory pensions in favor of the spouse

According to civil law (Article 97 of the Civil Code), a spouse whose financial situation as a result of separation or divorce is worsened by the financial imbalance in relation to the other spouse, which implies a worsening of their previous situation in the marriage, is entitled to a pension which will be set out in the judicial resolution of separation or divorce or in the regulatory agreement formalised before the Court Clerk (currently, the Clerk of the Court of Justice) or the Notary.

For payer, the compensatory pension paid, provided that it has been set in the court ruling, or has been agreed by the spouses in the separation or divorce settlement agreement, reduces their general tax base without being able to result in a negative result as a result of this reduction. The remainder, if any, will reduce the taxable savings base, without the latter being able to become negative as a result of said reduction.

For these purposes, the Supreme Court has established the following interpretative criteria: *"The reduction in the tax base for compensatory pensions in favor of the spouse, paid by court decision, is applicable from the date on which the regulatory agreement between the parties that established its payment is signed, provided that the subsequent court ruling that ratifies it does not modify what was agreed in said regulatory agreement."* See Judgments Nos. 1.369/2024, of July 22 (ROJ: STS 4251/2024) and 1,397/2024, of July 23 (ROJ: STS 4248/2024). And, more recently, STS No. 54/2025, of January 21 (ROJ: STS 330/2025).

For recipient, the compensatory pension received from the spouse constitutes, in any case, work income not subject to withholding because the spouse paying the pension is not obliged to withhold.

2. Annuities for food in favor of people other than children

In accordance with the provisions of Article 143 of the Civil Code, spouses, ascendants and descendants, as well as siblings are mutually obliged to provide support in the cases and terms indicated in the aforementioned article.

However, when the obligation to provide alimony falls on the taxpayer, it is necessary, for the purposes of its treatment in the IRPFABBR to distinguish two assumptions:

a. Annuities for foodstuffs in favour of children

For payer , the amounts paid in child support do not reduce the general tax base, but are subject to special treatment consisting in that, when the amount of said annuities is less than the general taxable base and there is no right to apply the minimum for descendants, they are subject to taxation separately in order to limit the progressivity of the tax scales.

The liquidation treatment of the [annual alimony payments in favor of the](#) children, the amount of which is less than the general taxable base subject to tax, is discussed in Chapter 15.

For the children receiving said annuities, they constitute exempt income, provided that they are received by judicial decision or by virtue of the regulatory agreement decreed judicially or formalized before the Court Clerk (currently, Clerk of the Court of Justice) or in a public deed before a Notary referred to in article 90 of the Civil Code, or the equivalent agreement provided for in the regulations of the Autonomous Communities.

b. Annuities for food in favor of other people

For payer , amounts paid in alimony to persons other than the children, provided that they are set by court decision, reduce the payer's general tax base without being able to result in a negative result as a result of this reduction. The remainder, if any, will reduce the taxable savings base, without the latter being able to become negative as a result of said reduction.

For the recipient of the same, these annuities constitute employment income not subject to withholding.

3. Special case: compensatory pension and annuities for food without distinction

In cases of legal separation or divorce, a compensatory pension will normally be established in favor of one of the spouses, and, on the other, the obligation to pay an amount in the form of child support for the parent who does not have them in his or her care.

In the special case where the obligation of a single payment is established, without specifying in the judicial resolution or in the regulatory agreement which part corresponds to compensatory pension and which part to annual maintenance payments, the impossibility of determining the amount corresponding to the compensatory pension prevents applying the reduction of the base for this concept. All of this without prejudice to the fact that at a later time the amounts corresponding to each concept may be judicially specified.

Summary table of the tax treatment of compensatory pensions and alimony annuities

Compensatory pension and alimony annuities	Payer	Percipient
Spousal pension	Reduce the Tax Base	Work performance
Child support annuities	Special rule for determining the full	Exempt income

	state and regional quota (*)	
Alimony for a person other than children	Reduce the Tax Base	Work performance
Note to table : They receive the same treatment in cases where they are adopted by an equivalent agreement provided for in the regulations of the Autonomous Communities, approved by the judicial authority or formalized before the Clerk of the Court of Justice or in a public deed before a Notary. (*) See, within Chapter 15 the special features for the payer of these annuities for child support and a example which details the liquidation operations in these cases.		

Reductions for contributions to the social security mutual fund at a fixed premium for professional and high-level athletes

Regulations: Eleventh Additional Provision of the Law IRPFABBR

Professional and high-level athletes may reduce the general tax base by the amount of contributions made to the fixed-premium social security mutual fund for professional athletes, with the following specialties:

1. Subjective requirements

The status of member and insured must, in all cases, be that of a professional or high-level athlete.

For these purposes, the following are considered:

- **Professional sportsmen:** those included in the scope of Royal Decree 1006/1985, of June 26, which regulates the special employment relationship of professional athletes.
- **High-level athletes:** those included in the scope of Royal Decree 971/2007, of July 13, on high-level and high-performance athletes (BOE of July 25).

2. Objective requirements

The contingencies that may be covered are those provided for in article 8.6 of the pension plans' regulatory standard, that is, in the consolidated text of the Law on Regulation of Pension Plans and Funds, approved by Royal Legislative Decree 1/2002, of 29 November.

The contingencies that may be covered are the following: retirement, total and permanent incapacity for work in the usual profession or absolute and permanent incapacity for any work, and severe disability; death and severe or great dependency of the participant.

3. Maximum reduction limit

A. **Maximum annual contributions that may entitle you to reduce your tax base**

Annual contributions may not exceed the amount of **euros** year, including contributions made by promoters in the form of work income.

Contributions will not be accepted once the working life as a professional athlete ends or the status of high-level athlete is lost under the terms and conditions established by regulation.

B. **Maximum reduction limit**

The contributions, whether direct or imputed, as well as, where applicable, the excess amounts from the 2020 to 2024 financial years pending reduction, may be subject to **reduction exclusively in the general part of the taxable base**. The maximum limit will be **the lowest** of the following amounts:

- a. **Sum of the net income from work and economic activities** received individually by the taxpayer in the fiscal year.
- b. **24,250 euros per year**.

4. **Excess contributions**

A. **Pending excesses to be reduced from contributions made in previous years**

Contributions that could not be reduced in the taxable base due to insufficient taxable base or due to the application of the maximum limits of tax reduction legally established, may be reduced in the current year, provided that the taxpayer has requested in the declaration corresponding to the years 2020 to 2024 to be able to reduce the excess in the following five years.

The reduction of the excess, which will be carried out subject to the maximum limits discussed below, will be carried out with priority to that corresponding to the contributions made in the financial year.

B. **Excess contributions corresponding to the fiscal year**

Contributions made in 2025 that were not subject to reduction in the taxable base due to insufficient taxable base or due to the application of the limit mentioned in letter a) above may be reduced in the following five years.

In this case, the taxpayer must complete the boxes within section I of the declaration **[0488]** and **[0489]**, The last of which will state the amount of contributions made in 2025.

Note: *The amounts corresponding to the excess contributions pending reduction from the years 2020 to 2024 pending application at the beginning of the year, those applied in the declaration and the remaining balance pending application in future*

years, as well as the excess contributions corresponding to the year 2025 not applied whose amount is requested to be reduced in the following 5 years, must be stated in Annex C.4 of the declaration in the section "Excess not reduced of the contributions to the mutual social welfare fund of professional athletes pending reduction in the following years."

5. Consolidated rights provision

Note: *as of January 1, 2025, The consolidated rights derived from contributions made to pension plans and similar supplementary social security systems made up to December 31, 2015, will be available, with the corresponding returns in accordance with the seventh transitional provision of Royal Legislative Decree 1/2002, of November 29, which approves the consolidated text of the Law on the Regulation of Pension Plans and Funds.*

The consolidated rights of members may only be made effective:

- In the same cases provided for in article 8.8 of Royal Legislative Decree 1/2002, of November 29, which approves the revised text of the Law on the Regulation of Pension Plans and Funds (long-term unemployment or serious illness, and from 2025 for contributions with at least 10 years of seniority) and,

Note the possible application of the 40 percent reduction with respect to benefits received in the form of a lump sum in these cases. See the [paragraph](#) corresponding to chapter 3.

- Additionally, once one year has passed since the end of the professional athlete's working life or since the loss of the status of high-level athlete.

The disposal of vested rights, in whole or in part, in cases other than those mentioned above, will determine the obligation for the taxpayer to reinstate in the taxable base the reductions unduly made, with the practice of supplementary or corrective self-assessments (from 2024), which will include the corresponding late payment interest, within the period between the date of early disposal and the end of the regulatory declaration period corresponding to the tax period in which the early disposal is made.

Any amounts received that exceed the amount of contributions made, including, where applicable, contributions imputed by the promoter, will be taxed as employment income in the tax period in which they are received.

6. Special case: other contributions to the social welfare mutual fund for professional and high-level athletes

Without prejudice to the special system of reductions for contributions to the fixed-premium social security mutual fund for professional and high-level athletes that we have just discussed, professional and high-level athletes, even if they have finished their working life as professional athletes or have lost the status of high-level athletes, may make contributions, under the general system, to the social security mutual fund for professional and high-level athletes.

Such contributions may be subject to a reduction in the tax base, in the amount intended to cover the contingencies provided for in article 8.6 of the consolidated text of the Law regulating Pension Plans and Funds, provided that the requirements previously mentioned for contributions to social security systems in general are met.

As a **joint maximum reduction limit** of these contributions, the one indicated in this same Chapter for the [contributions and contributions to social security systems](#) will be applied.

Remember: *The general taxable base and the savings taxable base cannot be negative as a result of the application of the reductions discussed so far.*

Summary table: Reductions in the general tax base

Reductions in the gross tax base		Amount euros/year	Annual Joint Maximum Limit
Reduction for joint tax payment	Family units made up of both spouses	3.400	The remainder, if any, will reduce the BI of the savings without it being able to be negative.
	Single-parent family units	2.150	
Reductions for contributions and contributions to social security systems A) General regime	Contributions: - to pension plans - to social security mutual societies - to insured pension plans - to corporate social security plans - to private dependency insurance	Up to 1,500 (Maximum annual amount for contributions to individual and employment systems, and business contributions to employment systems)	The minor of: 30 percent of the sum of the net income from work and economic activities of the year 1,500 euros increased by: + 8,500 euros provided that such increase comes from employer contributions, or from employee contributions to the same social security instrument for an amount equal to or less than the amounts resulting from the following table, depending on the total income received by the employee from the employer making the contributions and the annual amount of the employer contribution. a. Workers with RNT = or >60,000 euros Result of multiplying business contributions by 1. Maximum 4,250 b. Workers with RNT < 60,000 euros - Contribution = or < 500 euros. The result of multiplying the business contribution by 2.5. Maximum 1,250 - Contribution between 500.01 and 1,500 euros = 1,250 + 0.25 x (CE - 500 euros). Maximum 1,500 - Contribution between + 1,500 euros = CE x 1.
	Business contributions (*): - to pension plans - to social security mutual societies - to corporate social security plans + Contributions by the worker to the same social security instrument for an amount equal to or less than the respective employer contribution.	8,500 additional (to the 1,500)	
	Premiums paid by the company for collective dependency insurance. Contributions to social security systems in	Up to 5,000 (own and independent limit)	

Reductions in the gross tax base		Amount euros/year	Annual Joint Maximum Limit
Reductions for contributions and contributions to social security systems B) Specific regime	which the taxpayer's spouse is a participant, member or holder	Up to 1,000	Maximum 4,250 + 4,250 euros per year provided that such increase comes from any of the following contributions: ◦ Contributions to the sector-specific occupational pension plans provided for in article 67.1.a) of the consolidated text of the Law on the Regulation of Pension Plans and Funds, made by self-employed workers or freelancers who join said plans by reason of their activity. ◦ Contributions to simplified employment pension plans for self-employed workers or freelancers provided for in article 67.1 c) of the consolidated text of the Law on the Regulation of Pension Plans and Funds. ◦ Personal contributions that the individual entrepreneur or professional makes to employment pension plans, of which he is the promoter and, in addition, a participant ◦ Personal contributions made by the individual entrepreneur or professional to Social Security Mutual Societies of which he/she is a member. ◦ Personal contributions made by the individual entrepreneur or professional to company social security plans I. Additionally : limit of 5,000 euros for employer contributions charged to collective dependency insurance. Note: Please note that contributions to social security systems of spouse NOT are included within these joint maximum reduction limits that affect the contributions and contributions of the General Regime of the taxpayer.
Reductions for contributions and contributions to	Made by the disabled person	Up to 24,250	24,250 euros

Reductions in the gross tax base		Amount euros/year	Annual Joint Maximum Limit
social security systems established in favor of people with disabilities	Made by relatives, guardian or person who holds representative guardianship, or spouse of the disabled person	Up to 10,000	
Reductions for contributions to protected assets of persons with disabilities	For each contributor and for the set of protected assets to which he/she makes contributions	Up to 24,250	24,250 euros
	For all reductions made by all persons who make contributions in favour of the same protected assets	Up to 10,000	
Reductions for compensatory pensions and alimony payments in favor of persons other than children	Payment of compensatory pensions in favor of the spouse	The totality	The remainder, if any, will reduce the BI of the savings without it being able to be negative.
	Payment of annual maintenance payments to persons other than children Note: In the case of annuities for child support, see the special details on determining the full share in Chapter 15 .		
Reductions for contributions to the social security mutual fund at a fixed premium for professional and high-level athletes	Professional sportsmen: They are included in the scope of application of Royal Decree 1006/1985, of June 26, which regulates the special employment relationship of professional athletes .	Up to 24,250	The minor of: - Sum of net income from work and economic activities for the year 24,250 euros
	High-level athletes:		

Reductions in the gross tax base		Amount euros/year	Annual Joint Maximum Limit
	They are included in the scope of application of Royal Decree 971/2007, of July 13, on high-level and high-performance athletes.		

(*) The individual entrepreneur's own contributions to employment pension plans or to social welfare mutual funds of which he is, in turn, the promoter and, in addition, a participant or mutual member, as well as those made to company social welfare plans or collective dependency insurance of which he is, in turn, the policyholder and insured, **will be considered as company contributions**

General taxable base and general taxable base subject to tax

1. Determination of the general taxable base

Regulations: Art. 50.1 and 3 Law IRPFABBR

The general taxable base is the result of reducing the general tax base by the amount of the [reductions](#) discussed so far in this same Chapter.

The reductions are applied to reduce the general tax base, in the order in which they have been discussed, without the latter being able to result in a negative result as a consequence of such reductions.

For these purposes, the general taxable base can only be negative when the general taxable base is negative because its negative components are greater than its positive components. In these cases, none of the reductions mentioned so far may be applied.

If the general taxable base turns out to be negative in the terms discussed above, its amount must be offset against the positive general taxable bases obtained in the following **four years**.

The offset must be made in the maximum amount permitted in each of the following years and may not be made outside the period referred to in the previous paragraph, by accumulating negative general taxable bases from subsequent years.

Note: The amounts of the negative general taxable bases for the years 2021 to 2024 pending offset at the beginning of the year, those applied in the declaration and the remaining balance pending application in future years, as well as the amount of the

negative general taxable base for 2025 that remains pending offset in the following 4 years, must be stated in Annex C.4 of the declaration in the section "Negative general taxable bases pending offset in the following years".

2. Determination of the general taxable base subject to tax

The general taxable base subject to tax is the result of making offsets of negative taxable bases from previous years on the amount of the positive balance of the general taxable base for the year, without said result being able to be negative.

These negative general taxable bases can only be those corresponding to the years 2021 to 2024.

Compensation rules in joint taxation

For the purposes of offsetting negative taxable bases, the following rules must be taken into account:

- Under the joint taxation regime, they will be offsettable, in accordance with the general rules of IRPFABBR, the negative general taxable bases realized and not offset by the taxpayers comprising the family unit in previous tax periods in which they have paid taxes individually.
- In the case of subsequent individual taxation, the negative general taxable bases determined in joint taxation will be offset, exclusively, by those taxpayers to whom they correspond in accordance with the rules on individualization of income contained in the Law of IRPFABBR.

Liquidable base of savings

Regulations: art. 50.2 Law IRPFABBR

The taxable savings base is made up of the taxable savings base, once reduced, where applicable, by the unapplied remainder, if any, of the reductions for joint taxation, for compensatory pensions and alimony annuities, without it being able to result in a negative result as a consequence of those reductions.

In short, **the taxable base of savings will always be positive or zero**.

Practical case. Contributions to the pension plan and protected assets of a child with a disability

Mr. PJJ, a widower, 58 years old, lives with his son Mr. FJS, 30 years old, declared incapacitated by judicial resolution and subject to extended parental authority who obtained a general taxable base of 30,000 euros in 2025.

In the year 2025, under the provisions of Law 41/2003, of November 18, he has established a protected asset in favor of his son who has a certified mental disability of 65 percent. On the occasion of the constitution of the aforementioned protected heritage, Mr. PJJ has contributed 6,250 euros to the project free of charge. His four remaining children have also contributed 5,000 euros each to their brother's protected estate.

Also, Mr. PJJ He has contributed 1,500 euros to an employment pension plan promoted by the company where he works, with the employer contributions charged to him by the company during the year amounting to 2,500 euros.

Finally, Mr. PJJ has contributed 4,250 euros to a pension plan set up for his disabled son. She has also contributed 20,000 euros to the aforementioned pension plan on behalf of her disabled son and the income obtained by him.

Determine the general taxable base of the individual declarations of the person with a disability and his father, corresponding to the year 2025, knowing that the gross income from the work of the latter (Mr. PJJ) and the net work performance of Mr. PJJ, which coincides with its general tax base is 61,000 euros and 55,500 euros, respectively.

Solution:

Previous note: Regarding the declaration of incapacity of the child, as a consequence of Law 8/2021, of June 2 (BOE of June 3), the judicial resolutions by which the extension or rehabilitation of parental authority was established will only be taken into account until a new judicial resolution is issued to replace it.

Furthermore, the references to extended or rehabilitated parental authority made in article 82 of the Personal Income Tax Law in relation to the family unit must be understood as being made to court decisions establishing representative guardianship for adult children with disabilities when this is exercised by the person or persons who would be entitled to parental authority if the child were a minor.

1. Individual declaration of the person with a disability.

General tax base: 30,000

Reduction for contributions to pension plans for people with disabilities:

- Contribution made: 20,000
- Maximum reduction limit: 24,250
- Applicable reduction: 20,000
- General taxable base (30,000 - 20,000) = 10,000

2. Individual statement of the father, Mr. PJJ:

General tax base: 55,500

2.1. Reduction for contributions to social security systems (pension plan) of the system employment).

Contributions and payments for the 2025 financial year (1,500 contributed by him + 2,500 contributions from his company) = 4,000

Limit on the amount of contributions and maximum reducible contributions:

- Own contributions (within the general limit for contributions and business contributions of 1,500 euros) = 1,500

Note: It should be noted that this general limit includes contributions from workers to both individual systems and to social security systems for employment, without the need in the latter case to be conditioned on the making of employer contributions.

- Business contributions (increase of 8,500 euros more) = 2,500

Note: It should be remembered that, from 1 January 2023, employee contributions exceeding the general limit of 1,500 euros, when made to the employment social security system, are conditional upon employer contributions, the amount of such contributions, and the total income received by the employee from the employer making said contributions, in accordance with the table established in article 52.1.1 of the Law on IRPFABBR. See in this chapter the section “[Limits and excess contributions](#)” within “Reductions for contributions and contributions to social security systems”.

- Total (1,500 + 2,500) = 4,000

Percentage reduction limit (30% s/55,500) = 16,650

Applicable reduction for contributions and payments 2025: 4,000

General tax base remainder (55,500 – 4,000) = 51,500

2.2. Reduction for contributions to the pension plan of a disabled child.

Contribution made: 4.250

Maximum limit (24,250 – 20,000 which is the contribution of the disabled person to his/her plan) = 4,250

Reduction applicable [\(1\)](#) = 4.250

General tax base remainder (51,500 – 4,250) = 47,250

Note⁽¹⁾ Since the contributions made by the disabled person themselves (20,000 euros) have priority in applying the reduction, the father may only apply the reduction for the excess up to 24,250 euros, which constitutes the maximum joint limit of reductions practicable by all the people making the contributions. Consequently, the reducible contribution amounts to 4,250 euros. [\(Back\)](#)

2.3. Reduction for contributions to protected assets of persons with disabilities.

Contribution made: 6.250

Maximum joint limit of contributors: 24.250

Reducible contribution proportional (24,250 ÷ 26,250) x 6,250 [\(2\)](#) = 5,773.81

General taxable base: (47,250 – 5,773.81) = 41,476.19

Note⁽²⁾ Since contributions to the same protected assets are made by both the father and the four siblings of the disabled person, the maximum joint reduction limit for all contributors cannot exceed 24,250 euros per year. Since there is an excess over this amount, since the total amount of contributions made amounts to 26,250 euros per year [6,250 + (5,000 x 4)], a reduction must be made in proportion to the contributions made.

For the contribution made by the father, this amount is the result of the following operation: (24,250 ÷ 26,250) x 6,250 = 5,773.81.

For the contributions made by each of the brothers, this amount is the result of the following operation: (24,250 ÷ 26,250) x 5,000 = 4,619.05. [\(Back\)](#)

Since both the father and the children have applied the reduction proportionally, the excess amounts obtained by each will entitle them to reduce the taxable base of the following four tax periods, until the maximum reduction amounts are exhausted, if applicable, in each of them (in any case, it must be stated in Annex C.4 of the declaration in the section "Excess not reduced by contributions to protected assets of persons with disabilities pending reduction in the following years"). Thus, it will be appropriate:

To the father: 6,250 - 5,773.81 = 476.19 euros.

To each of the children: 5,000 - 4,619.05 = 380.95 euros.

Chapter 14. Adaptation of the tax to the personal and family circumstances of the taxpayer: minimum personal and family

Personal and family tax-free threshold

Regulations: Art. Law 56 IRPFABBR

The suitability of IRPFABBR The taxpayer's personal and family circumstances are specified in the **minimum personal and family** whose function is to quantify that part of the income which, because it is intended to satisfy the basic personal and family needs of the taxpayer, is not subject to taxation by the IRPFABBR.

To ensure the same reduction in the tax burden for all taxpayers with the same family situation, regardless of their income level, the amount corresponding to the personal and family minimum no longer reduces the income of the tax period to determine the taxable base, but rather becomes part of the taxable base to be taxed at a zero rate. In this way, taxpayers with the same personal and family circumstances achieve the same tax savings, regardless of their income level.

The application of the personal and family allowance in determining the full quotas of IRPFABBR This is discussed in more detail in the following chapter.

The personal and family minimum is the result of adding the amounts corresponding to:

- Taxpayer minimum.
- Minimum for descendants.
- Minimum for ascendants.
- Minimum for disability of the taxpayer, his ancestors or descendants.

Law 22/2009, of December 18 , which regulates the financing system of the Autonomous Communities of the common regime and Cities with Statute of Autonomy and modifies certain tax regulations (BOE of December 19) **has granted the Autonomous Communities regulatory powers over the amount of the personal and family minimum applicable for the calculation of the autonomous tax** .

For these purposes, Article 46.1 a) of the aforementioned Law 22/2009 provides that the Autonomous Communities may establish increases or decreases in the amounts corresponding to the taxpayer's minimum and the minimums for descendants, ascendants and disability regulated in Articles 57, 58, 59 and 60 of the Law of IRPFABBR, with a limit of 10 percent for each of them.

However, the Autonomous Communities cannot regulate, in accordance with article 46.2.e) of Law 22/2009, the concepts or the personal and family situations included in each of the minimums referred to in articles 57, 58, 59 and 60, nor the rules for their application provided for in article 61 of the Law of IRPFABBR.

Precisely because the Autonomous Communities cannot regulate the concepts, nor the personal and family situations included in each of the minimums, nor the rules for their application, the Constitutional Court in its Judgment 186/2021, of October 28, has declared null and void article 88 of the Law of the Parliament of Catalonia 5/2020, of April 29, on fiscal, financial, administrative and public sector measures, and on the creation of the Tax on facilities that impact the environment, which established the increase of 10% of the amount of the personal minimum applicable exclusively to taxpayers whose sum of the general and savings taxable bases did not exceed 12,450 euros, for exceeding the limits that for the autonomous exercise of that transferred competence the State provides for in article 46 of Law 22/2009.

In accordance with the aforementioned regulatory authority, in 2025 **The Autonomous Community of Andalusia, Autonomous Community of the Principality of Asturias, CAutonomous Community of the Balearic Islands, The Autonomous Community of the Canary Islands, the Autonomous Community of Galicia, the Community of Madrid, the Autonomous Community of La Rioja and the Valencian Community have regulated the amount of the personal and family allowance.** applicable for the calculation of its regional tax other than that established in the Law of IRPFABBR.

Taxpayer tax-free threshold

The Tax Agency's electronic headquarters includes a " [Virtual Income Assistant](#) ", where you can check the personal minimum that corresponds to you as a taxpayer, as well as to your spouse in the case of joint taxation, and the increases due to your age or degree of disability.

Regulations: Articles Law 57 and 61 IRPFABBR

Applicable amount

The minimum for a taxpayer is, in general, € **per year, regardless of the number of members in the family unit (both spouses and, where applicable, children who are part of the same, or the father or mother and all children who live with one or the other)**, and the tax regime chosen, individual or joint declaration.

Although the minimum amount for taxpayers is 5,550 euros, both for individual and joint taxation, it should be remembered that in cases of joint taxation, a reduction of the tax base of 3,400 euros is applicable for family units made up of both spouses and, where applicable, the children who form part of said family unit. In the case of a family unit consisting of the father or mother and all the children who live with one or the other, a reduction of 2,150 euros per year may be applicable.

The [reduction for joint taxation](#) is discussed in more detail in Chapter 13.

Increase in the minimum taxpayer age

Depending on the age of the taxpayer, the general minimum is increased by the following amounts:

- **Taxpayers over 65 years of age** . The above amount will be increased by **1,150 euros per year** .
- **Taxpayers over 75 years of age** . The minimum will be additionally increased by **1,400 euros per year** .

Important: to quantify the increase in the minimum corresponding to taxpayers aged 65 or over or 75 years, the personal circumstances of each of the spouses in the family unit who file a joint return will be taken into account .

Conditions of application

- **In the event of the death of taxpayer** , the amount of the taxpayer's minimum will be applied in its entirety without the need to prorate it based on the number of days that make up the tax period.
- **In a joint declaration of family units** , children do not give rise to the application of the taxpayer's minimum, without prejudice to the fact that they grant the right to the family minimum for descendants and for disability, provided that they meet the requirements for this purpose. The other spouse does not give the right to apply the taxpayer's minimum either, without prejudice to the fact that the increase in the taxpayer's minimum mentioned above is computable, if his or her age is greater than 65 years and 75 years, if applicable.

Allowance for descendants

The Tax Agency's electronic headquarters includes a " [Virtual Income Assistant](#) ", where you can check the minimum corresponding to the descendant with whom you live and the requirements that must be met, as well as the increases that correspond to you due to your age or degree of disability.

Regulations: Articles Law 58 and 61 IRPFABBR and 53 Regulation IRPFABBR

Concept and requirements of descendants

Subject

For the purposes of applying this minimum, the following are considered "descendants": **children, grandchildren, great-grandchildren, etc. ., who are descendants of the taxpayer and who are related to him/her by a direct blood relationship or by adoption, without including persons related to the taxpayer by a collateral line (nephews) or by affinity (stepchildren).**

For these purposes, descendants are considered to be those persons linked to the taxpayer by reason of guardianship or foster care, in the terms provided for in the applicable civil legislation or, outside of the previous cases, those who have been assigned their care and custody by court order.

Guardianship:

Please note that, as of September 3, 2021, the date of entry into force of Law 8/2021, of June 2, which reforms civil and procedural legislation to support people with disabilities in the exercise of their legal capacity, **guardianship** is reduced to minors not subject to parental authority or not emancipated in a situation of helplessness, being eliminated for adults, for whom guardianship and other measures to support their legal capacity are established.

In accordance with the above, the references contained in the Law of IRPFABBR Regarding guardianship, in the case of disabled adults, it is currently understood to refer to both guardians appointed by court rulings prior to Law 8/2021 (as long as a new court ruling has not been issued replacing them with new measures adapted to Law 8/2021), as well as curators with representative functions appointed after the entry into force of Law 8/2021 (both in court rulings relating to cases of new disability situations, and in court rulings issued in substitution of other rulings prior to said Law 8/2021).

Requirements

The minimum may only be applied to the taxpayer's descendants and those similar who meet each and every one of the following **requirements** :

a) That the descendant, in the terms previously discussed, **be under 25 years old** on the accrual date of IRPFABBR (normally, December 31st or the date of the taxpayer's death if the taxpayer dies on a day other than December 31st), **unless they are descendants with a degree of disability equal to or greater than 33 percent** In which case the minimum allowance for descendants may be applied, regardless of their age, provided that the remaining requirements are met.

b) That the descendant lives with the taxpayer .

The sporadic absence of a child from the habitual residence during the school year does not break the requirement of cohabitation required for the taxpayer to be able to apply the minimum for descendants, as long as the rest of the requirements established in this regard are met.

However, in this case it must be taken into account **that economic dependency is assimilated to cohabitation, unless [annual maintenance payments are made](#)** in favor of said children, which are taken into account for the calculation of the full quota.

In cases of separation or divorce or absence of a marital bond, the criteria to be taken into account are the following:

- a. Parent **who has been assigned custody of the children**, has the right to apply the minimum for descendants.

In the case of joint custody of children, the minimum for descendants will be prorated equally between both parents, regardless of who the descendant lives with on the accrual date.

The parent who has sole or shared custody of the children and pays child support by court order is entitled to the minimum allowance for dependents but not to the special provisions of Articles 64 and 75 of the Law. IRPFABBR.

- b. The parent who **pays annual alimony for the children and who has not been assigned custody of these**, not even on a shared basis, will apply the regime provided for annual alimony, but not the minimum for descendants. Therefore, the economic dependency that payment of these entails cannot be considered cohabitation for the purposes of applying the minimum for descendants.
- c. The parent who **without having been assigned custody of the children, not even jointly, and without paying alimony in their favor by court order** However, if it contributes to the economic maintenance of those individuals, it will be entitled to the application of the minimum allowance for descendants based on the dependency criterion referred to in Article 58 of the Law of IRPFABBR, (economic dependence that is similar to cohabitation), minimum that must be prorated equally with the parent who has custody.

See table [application of the minimum per descendant and the option for joint taxation](#) in the case of legal separations, divorces and annulments of spouses with children.

Note: *in accordance with the Resolutions of TEAC of May 29, 2023, Claims numbers 00/08646/2022 and 00/10590/2022, both falling on separate extraordinary appeals for unification of criteria, the parent who pays alimony payments in favor of the children and who does not have custody of them, not even jointly, will apply the regime provided for alimony payments but not the minimum for descendants, without in this case having the possibility of choosing between the application of the minimum for descendants of article 58 of the Law of IRPFABBR and the special provisions of articles 64 and 75 of the Law of IRPFABBR.*

The incompatibility between tax incentives prevents a parent entitled to the child allowance (due to shared custody) who also pays child support by court order from choosing between this allowance and the special provisions of Articles 64 and 75 of the Personal Income Tax Law. According to the literal wording of these articles, taxpayers who pay child support by court order, without the children being entitled to the child allowance, must apply the special provisions for reducing the tax bracket. Therefore, conversely, if such entitlement exists, as would be the case when the parent has shared custody, then the child allowance must be applied.

c) That the descendant has not obtained in fiscal year 2025 incomes exceeding 8,000 euros per year, excluding income exempt from tax.

Note: For these purposes, the concept of annual income is constituted by the algebraic sum of net income (from work, movable and immovable capital, and economic activities), income imputations and capital gains and losses computed in the year, without applying the integration and compensation rules. However, the income must be computed by its net amount, that is, once the expenses have been deducted but without applying the corresponding reductions, except in the case of income from work, in which the reduction provided for in article 18 of the Law of the IRPFABBR when applied prior to the deduction of expenses.

d) That the descendant does not present a declaration of the IRPFABBR with incomes above 1,800 euros.

The following clarifications must be made in relation to this requirement:

- **Individual taxation of the descendant.** If the descendant presents an individual declaration of the IRPFABBR, whether this consists of a self-assessment or a duly signed or confirmed draft declaration, with income equal to or less than 1,800 euros, eligible taxpayers can apply the minimum for descendants, provided that the remaining requirements are met. If their income is greater than 1,800 euros, none of them can apply the minimum for descendants.
- **Joint taxation of the descendant with both parents.** If the minor descendant files a joint return with his or her parents, they may apply the corresponding minimum per descendant in said return, provided that the remaining required conditions are met.
- **Joint taxation of the descendant with one of the parents in cases of legal separation or when there is no marital bond .** In these cases, the father or mother who pays taxes jointly with the descendants who form part of the family unit will apply the full minimum for descendants corresponding to them, and the other parent will not be entitled to the minimum when the children file a tax return, provided that the latter have incomes greater than 1,800 euros.

If the condition of having income exceeding 1,800 euros is not met, the minimum for descendants will be distributed equally between the parents with whom the descendant lives, even when one of them pays taxes jointly with the children.

In this last case, if one of the parents does not apply the minimum for descendants that corresponds to him/her (50%), the other parent does not have the right to apply the entire minimum for descendants.

This same rule is applicable in cases where children under shared custody pay taxes jointly with one of their parents.

However, if one of the parents dies during the tax period, and the descendant's income is greater than 1,800 euros, the minimum will be prorated 50% between the two parents, provided that the deceased parent at the date of death was entitled to the minimum for descendants, it being irrelevant whether the surviving parent pays taxes jointly with the descendant.

See table [application of the minimum per descendant and the option for joint taxation](#) in the case of legal separations, divorces and annulments of spouses with children.

Note: Please note that among the modalities that appear as family units, the one formed by the guardian and the person under guardianship is not contemplated, nor the case of foster care or, outside of these cases, of those who have been assigned their guardianship and custody by judicial resolution, which prevents any possibility of paying taxes jointly for the IRPFABBR in such cases.

Special case: death of one of the parents

In cases where one of the parents dies during the year, whether or not they are married, and the minor children or legally incapacitated adults subject to extended or rehabilitated parental authority have lived with both parents until the date of death, the minimum for descendants will be prorated in all cases between the parents, even if the other surviving parent pays taxes jointly with the minor children and they have incomes exceeding 1,800 euros, since it is considered that on the date of accrual of the tax both parents have the right to apply it.

Remember: Under the terms previously discussed, in the current 2025 tax year, the taxpayer may apply the minimum allowance for dependents in cases where these dependents file an individual tax return to obtain a refund. IRPFABBR provided that the declared income does not exceed 1,800 euros.

Applicable amounts

A. In general

- 2,400 euros per year for the first.
- 2,700 euros per year for the second.
- 4,000 euros per year for the third.
- 4,500 euros per year for the fourth and subsequent years.

In the event of the death of a descendant who is entitled to the minimum for this concept, the applicable amount is **2,400 euros**.

Note: the order number of the descendants, including persons linked to the taxpayer by reason of guardianship and foster care under the terms provided for in civil legislation or, outside the previous cases, to those who have been assigned their custody and care by court order, will be assigned based on the age of those who entitle the taxpayer to apply this minimum for descendants, starting with the oldest and without counting for these purposes those descendants who, where applicable, died in the year prior to the date of accrual of the tax.

B. Increase for descendants under three years of age

Amount of increase

When the descendant is under three years of age, the minimum corresponding to those indicated above will be increased by **2,800 euros** annually.

Note: *The increase for descendants under three years of age is applicable in cases where the descendant has died during the tax period.*

Application of the increase in cases of adoption or pre-adoptive or permanent foster care

In cases of adoption or foster care, both pre-adoptive and permanent, said increase, **regardless of the age of the minor**, will be applied in the tax period in which the minor is registered in the Civil Registry and in the following two periods. Where registration is not required, the increase may be made in the tax period in which the corresponding judicial or administrative decision is taken and in the following two tax periods.

Precision:

Law 26/2015, of July 28, which modifies the system of protection for children and adolescents (BOE of July 29) modified, with effect from August 18, 2015, article 173 bis of the Civil Code regulating the following modalities of foster care: urgent, temporary and permanent.

Furthermore, in relation to pre-adoptive foster care, the second and sixth additional provisions of Law 26/2015 establish that all references made in laws and other provisions to pre-adoptive foster care must be understood as being made to the delegation of custody for pre-adoptive cohabitation provided for in article 176 bis of the Civil Code, while references made to simple foster care must be understood as being made to temporary family foster care provided for in article 173 bis of the Civil Code.

Foster care (Art. 173 bis of the Civil Code)		Application of the minimum for descendants	Increase for descendants under three years of age
Until 17-08- 2015	As of 18-08-2015		
-	Emergency foster care	YEAH	YEAH
Simple foster care	Temporary foster care	YEAH	YEAH
Permanent foster care	Permanent foster care	YEAH	YES (regardless of the age of the minor)
Pre-adoption foster care	Delegation of guardianship for pre-adoption cohabitation (New 176 bis of the Civil Code)	YEAH	YES (regardless of the age of the minor)

Note: In the cases of adoption or foster care, both pre-adoption (current delegation of guardianship for pre-adoption cohabitation) and permanent, said increase will occur, regardless of the age of the minor, in the tax period in which he/she is registered in the Civil Registry and in the two following periods. Where registration is not required, the increase may be made in the tax period in which the corresponding judicial or administrative decision is taken and in the following two tax periods.

When a minor who has been in foster care is adopted, or a change occurs in the foster care situation, the increase in the amount of the minimum for descendants will be applied during the remaining tax periods until the maximum period of three years is exhausted.

Note: It should be noted that in cases of emergency or temporary foster care, the increase in the minimum for descendants will only be possible when the descendant is under three years of age. Likewise, in the case of minors over whom custody and guardianship is granted by court order, the increase in the minimum for descendants will only be applicable if they are under three years of age.

Conditions for the application of the minimum by descendants

- a. **The determination of the family circumstances** that must be taken into account for the application of this minimum will be carried out taking into account the **situation existing on the date of accrual of the tax** (normally, December 31 or the date of death of the taxpayer if he dies on a day other than December 31).
- b. When several taxpayers (for example, both parents) are entitled to apply the family minimum for the same descendant (with the same degree of kinship), **its amount will be prorated among them in equal parts**.

However, when taxpayers have **different degree of kinship** with the descendant who entitles them to apply the family minimum (for example, parents and grandparents), its amount will correspond entirely to those of the closest degree (parents), unless they do not have annual income, excluding exempt income, greater than 8,000 euros per year, in which case it will correspond to those of the next degree (grandparents).

Tax-free threshold for ascendants

The Tax Agency's electronic headquarters includes a "[Virtual Income Assistant](#)", where you can check the minimum corresponding to the ascendant with whom you live and the requirements that must be met, as well as the increases that correspond to you due to your age or degree of disability.

Regulations: Articles Law 59 and 61 IRPFABBR

Subject

For the purposes of applying the minimum for ascendants, parents, grandparents, great-grandparents, etc are considered as such. from whom the taxpayer descends and who are related to him or her by blood or adoption, without including persons related to the taxpayer by collateral line (uncles or great-uncles) or by affinity (parents-in-law).

Requirements

Ancestors must meet the following **requirements** to qualify for the application of the corresponding minimum:

- a. **That the ascendant is over 65 years old** on the date of accrual of the tax (normally December 31) or, whatever his age, that he is a person **with a degree of disability equal to or greater than 33 percent**.
- b. **That they live with the taxpayer for at least half of the tax period**.

The requirement of this requisite prevents the possibility of applying the minimum for the ascendant among several descendants in the case of cohabitation for periods of three or four months a year with each of them. The minimum will only be prorated when the ascendant lives with the descendants for six months successively or when he or she lives with several descendants simultaneously for the entire year.

With regard to this requirement, it is considered that the disabled ascendants who, depending on the taxpayer, are admitted to specialized centers live with the taxpayer.

- c. **That the ascendant has not obtained income exceeding 8,000 euros in the 2025 financial year** annual, excluding those exempt from tax.

Note: The concept of annual income, for these purposes, is constituted by the algebraic sum of net income (from work, movable and immovable capital, and economic activities), income imputations and capital gains and losses computed in the year, without applying the integration and compensation rules. However, the income must be computed by its net amount, that is, once the expenses have been deducted but without applying the corresponding reductions, except in the case of income from work, in which the reduction provided for in article 18 of the Law of the IRPFABBR when applied prior to the deduction of expenses.

- d. **That the ascendant does not present a declaration of IRPFABBR with incomes exceeding 1,800 euros.**

Applicable amounts

- **1,150 euros per year for each ascendant over 65 years of age or with a disability, regardless of age.**
- **An additional 1,400 euros per year for each ascendant over 75 years of age.**

In the event of the death of an ascendant who generates the right to the minimum for this concept, **the applicable amount is 1,150 euros.**

Conditions for the application of the minimum for ascendants

- a. **The determination of the personal and family circumstances** that must be taken into account for the application of the aforementioned reductions will be carried out taking into account the **situation existing on the date of accrual of the tax** (normally, December 31 or on the date of the taxpayer's death if he or she dies on a day other than December 31).

However, if the ascendant dies during the year, the right to the minimum for ascendant is only generated when the ascendant has cohabited with the taxpayer for at least half of the period between the beginning of the tax period and the date of death.

- b. **When two or more taxpayers are entitled to apply the minimum** with respect to the same ascendants, **its amount will be prorated** between them in equal parts.

However, when taxpayers have a different degree of kinship with the ascendant, the application of the minimum will correspond to those of the closest degree, unless they do not have annual income, excluding exempt income, greater than 8,000 euros, in which case it will correspond to those of the next degree.

Allowance for disability

The Tax Agency's electronic headquarters incorporates a " [Virtual Income Assistant](#) », where you can consult the disability minimums corresponding to the taxpayer, his or her ascendants or descendants.

Regulations: Articles Law 60 and 61 IRPFABBR

The disability minimum is the sum of the amounts corresponding to the minimums for the taxpayer's disability and for the disability of ascendants or descendants.

Minimum for taxpayer disability: applicable amounts

Applicable amounts

Depending on the degree of disability of the taxpayer, the minimum may be one of the following amounts:

- **3,000 euros per year** when the person has a disability level equal to or greater than 33% and less than 65%.
- **9,000 euros per year** when the person has a disability level equal to or greater than 65%.

Increase in assistance costs

The taxpayer's minimum disability allowance will be increased, as assistance expenses, by 3,000 euros per year when he **she proves that he** she needs help from third parties or has reduced mobility, or a degree of disability equal to or greater than 65%.

In short, the taxpayer's minimum disability will reach the amounts indicated in the following table :

Grade of DISCAPACITY	Disability	Gastos assistance	Total
Equal to or greater than 33% and less than 65%	3,000	----	3,000
Equal to or greater than 33% and less than 65% and who can prove that they need help from third parties or have reduced mobility	3,000	3,000	6,000
Equal to or greater than 65 percent	9.000	3,000	12,000

Minimum for disability of ascendants or descendants: applicable amounts

Applicable amounts

The minimum for disability of ascendants or descendants may be of the following amounts:

- **3,000 euros per year for each descendant or ascendant** who generates the right to the application of their respective minimum, who is a person with a degree of disability equal to or greater than 33% and less than 65%.
- **9,000 euros per year for each descendant or ascendant** who generates the right to the application of their respective minimum, who is a person with a degree of disability equal to or greater than 65%.

Increase in assistance costs

The minimum for disability of ascendants or descendants will be increased, as assistance expenses, by **3,000 euros per year** for each ascendant or descendant who proves needing assistance from third parties or reduced mobility, or a degree of disability equal to or greater than 65%.

In short, the minimum disability benefit for each ascendant or descendant, including, where applicable, the increase in assistance costs, will reach the following amounts:

Grade of DISCAPACITY	Disability for each ascendant or descendant	Assistance for each ascendant or descendant	Total for each ascendant or descendant
Equal to or greater than 33% and less than 65%	3,000	----	3,000
Equal to or greater than 33% and less than 65% and who can prove that they need help from third parties or have reduced mobility	3,000	3,000	6,000
Equal to or greater than 65 percent	9.000	3,000	12,000

Accreditation of the disability, the need for help from third parties or the existence of mobility difficulties

Regulations: Art. 72 Regulations IRPFABBR.

They are considered persons with disabilities, for the purposes of IRPFABBR, taxpayers who prove a degree of disability equal to or greater than 33 percent.

The degree of disability must be accredited by a certificate or resolution issued by the Institute of Migration and Social Services (IMSERSO) or the competent body of the Autonomous Communities.

Regarding the regulation of the procedure for the recognition, declaration and qualification of the degree of disability, Royal Decree 888/2022, of October 18 (BOE of October 20), which came into force six months after its publication in the BOE, applies from April 20, 2023.

Please note that, with effect from 20 April 2023, Royal Decree 888/2022 of 18 October (BOE of 20 October) repealed Royal Decree 1971/1999 of 23 December on the procedure for the recognition, declaration and qualification of the degree of disability, which governed the aforementioned procedure until then.

Note: Taxpayers who, prior to April 20, 2023, had been recognized as having a disability level equal to or greater than 33% in accordance with the procedure established in Royal Decree 1723/1981, of July 24, or in Royal Decree 1971/1999, of December 23, will not require a new recognition. When the review of said valuations is carried out, ex officio or at the request of a party, the provisions of the new Royal Decree 888/2022 will be applied. See in this regard the first transitional provision of the aforementioned Royal Decree 888/2022.

However, a degree of disability equal to or greater than 33% will be considered affected:

- In the case of Social Security pensioners who have been granted a pension for total, absolute or severe permanent disability and

In this regard, see the TEAC Resolution of July 19, 2024, Claim number 00/04263/2023, filed in an extraordinary appeal for unification of criteria, in which the aforementioned Court has established the following criteria in cases where there is a prior recognition of a pension for permanent disability (total, absolute or severe disability), upon reaching retirement age: In these cases, the taxpayer will retain their right to apply the minimum disability allowance provided for in Article 60 of the Personal Income Tax Law without being required to prove a disability level equal to or greater than 33%.

- In the case of pensioners of passive classes who have been granted a retirement pension due to permanent incapacity for service or disability.

Likewise, a degree of disability equal to or greater than 65% will be considered accredited:

- In the case of persons whose incapacity has been declared by virtue of judicial resolutions prior to Law 8/2021 (unless a new judicial resolution has been issued replacing them with new measures adapted to Law 8/2021).
- In the case of persons with disabilities for whom representative guardianship has been established by virtue of judicial resolutions issued after the entry into force of Law 8/2021 (both in judicial resolutions relating to cases of new situations, and in judicial resolutions issued in substitution of other resolutions prior to said Law 8/2021).

Please note that, as of September 3, 2021, the date of entry into force of Law 8/2021, of June 2, which reforms civil and procedural legislation to support people with disabilities in the exercise of their legal capacity, the **judicial incapacity** disappears and, consequently, the figure of the incapable person, being replaced by a judicial resolution that determines the acts for which the person with a disability requires support for the exercise of his or her legal capacity.

This disappearance affects article 60.3 of the Personal Income Tax Law and, in the same sense, article 72.1 of its Regulations, regarding the way of proving a degree of disability equal to or greater than 65%.

The need for assistance from third parties to travel to or from work, or reduced mobility to use public transport, must be accredited by a certificate or resolution from IMSERSO or the competent body of the Autonomous Communities in matters of disability assessment, based on the opinion issued by the Assessment and Guidance Teams dependent on them.

The recognition of one of the degrees of dependency contemplated in article 26.1 of Law 39/2006, of December 14, on the Promotion of Personal Autonomy and Care for People in Situations of Dependency, corresponds to another area of competence that does not meet the requirements of article 72 of the Regulation of IRPFABBR and therefore does not prove this.

Conditions for the application of the minimum for disability

- a. **The determination of the personal and family circumstances** that must be taken into account for the application of the minimum for disability will be carried out taking into account the **situation existing on the date of accrual of the tax** (normally, December 31 or on the date of death of the taxpayer if he dies on a day other than December 31).

Notwithstanding the foregoing, the disability minimum will be applicable in cases where the **descendant has died during tax period** .

- b. **The application of the minimum for disability** of ascendants or descendants is **conditional on each of them generating the right to the application of the respective minimum** , that is, minimum for ascendants or minimum for descendants.
- c. **When two or more taxpayers are entitled to apply the disability minimum** with respect to the same ascendants or descendants, **its amount will be prorated among them in equal parts** .

However, when taxpayers have a different degree of kinship with the ascendant or descendant, the application of the minimum will correspond **to those of the closest degree** , unless they do not have annual income, excluding exempt income, greater than 8,000 euros, in which case it will correspond to those of the next degree.

- d. **These minimums will not apply.** when ascendants or descendants file a declaration for the IRPFABBR with **incomes above 1,800 euros**.

Summary table of the personal minimum, by descendants, by ascendants and by disability

Taxpayer tax-free threshold	5,550 euros per year, in general. + 1,150 euros per year, if you are over 65 years old. + 1,400 euros per year, if you are over 75 years old.
	Disability of the taxpayer : • 3,000 euros per year, if the degree of disability is equal to or greater than 33%. • 9,000 euros per year, if the degree of disability is equal to or greater than 65%. + 3,000 euros per year, if you need help from third parties or have reduced mobility or a degree of disability equal to or greater than 65%.
Allowance for descendants	• 2,400 euros per year for the 1st. • 2,700 euros per year for the 2nd. • 4,000 euros per year for the 3rd. • 4,500 euros per year for the 4th and subsequent years. + 2,800 euros per year, per descendant under three years of age. (*) In the event of the death of the descendant 2,400 euros.
	Disability of descendant : • 3,000 euros per year, if the degree of disability is equal to or greater than 33%. • 9,000 euros per year, if the degree of disability is equal to or greater than 65%. + 3,000 euros per year, if you need help from third parties or have reduced mobility or a degree of disability equal to or greater than 65%.
Tax-free threshold for ascendants	1,150 euros per year for each ascendant + 1,400 euros per year, if you are over 75 years old. (*) In the event of the death of the ascendant: 1,150 euros.
	Disability of the ascendant: • 3,000 euros per year, if the degree of disability is equal to or greater than 33%.

- 9,000 euros per year, if the degree of disability is equal to or greater than 65%.
- + 3,000 euros per year, if you need help from third parties or have reduced mobility or a degree of disability equal to or greater than 65%.

Amounts of the personal and family minimum approved by the Autonomous Communities for the calculation of the regional tax

In exercise of the regulatory powers attributed to them by article 46.1 a) of Law 22/2009, of December 18, which regulates the financing system of the Autonomous Communities of the common regime and Cities with Statute of Autonomy and modifies certain tax regulations (BOE of December 19), the following Autonomous Communities have approved increases in the amount of the personal and family minimum:

Autonomous Community of Andalusia: Minimum personal and family amounts

Regulations: Art. 23 bis Law 5/2021, of October 20, on Transferred Taxes of the Autonomous Community of Andalusia

The following amounts are established for the taxpayer's minimums, for descendants, for ascendants and for disability, which must be applied by taxpayers resident in the territory of the Autonomous Community of Andalusia for the calculation of the autonomous tax:

Taxpayer tax-free threshold

- **5,790 euros per year** in general.
- **Plus 1,200 euros per year** per taxpayer over 65 years of age.
- **Additionally 1,460 euros per year** per taxpayer over 75 years of age.

Allowance for descendants

- **2,510 euros per year** for the first descendant.
- **2,820 euros per year** for the second.
- **4,170 euros per year** for the third.
- **4,700 euros per year** for the fourth and subsequent ones.

When a descendant is **under three years of age** , the amount corresponding to the minimum for descendants, of those indicated above, will be increased by **2,920 euros per year** .

Tax-free threshold for ascendants

- **1,200 euros per year** for each ascendant over 65 years of age or with a disability, regardless of age.
- **Plus 1,460 euros per year** for each ascendant over 75 years of age.

Minimum for disability of the taxpayer and of ascendants or descendants

- **3,130 euros per year** for each taxpayer, ascendant or descendant, when the person has a degree of disability equal to or greater than 33% and less than 65%.
- **9,390 euros per year** for each taxpayer, ascendant or descendant, when the person has a degree of disability equal to or greater than 65%.
- **Plus 3,130 euros per year** for each taxpayer, ascendant or descendant who proves that they need help from third parties or have reduced mobility, or a degree of disability equal to or greater than 65 percent.

Autonomous Community of the Principality of Asturias: Minimum personal and family amounts

Regulations: Articles 2 bis, 2 ter, 2 quater and 2 quinquies Legislative Decree 2/2014, of October 22, which regulates the consolidated text of the legal provisions of the Principality of Asturias regarding Taxes Transferred by the State

The following minimum amounts for taxpayers, for descendants, for ascendants and for disability, which must be applied by taxpayers resident in the territory of the Autonomous Community of the Principality of Asturias for the calculation of the regional tax, are established:

Taxpayer tax-free threshold

- **6,105 euros per year** in general.
- **Plus 1,265 euros per year** for taxpayers over 65 years of age.
- **Additionally, 1,540 euros per year** per taxpayer over 75 years of age.

Allowance for descendants

- **2,640 euros per year** for the first descendant.
- **2,970 euros per year** for the second.
- **4,400 euros per year** for the third.

- **4,950 euros per year** for the fourth and subsequent years.

When a descendant is **under three years of age**, the amount corresponding to the minimum for descendants, of those indicated above, will be increased by **3,080 euros per year**.

Tax-free threshold for ascendants

- **1,265 euros per year**.
- **Plus 1,540 euros per year** for each ascendant over 75 years of age.

Minimum for disability of the taxpayer and of ascendants or descendants

- **3,300 euros per year** for each taxpayer, ascendant or descendant, when the person has a degree of disability equal to or greater than 33% and less than 65%.
- **9,900 euros per year** for each taxpayer, ascendant or descendant, when the person has a degree of disability equal to or greater than 65%.
- **Plus 3,300 euros per year** in respect of assistance expenses for each taxpayer, ascendant or descendant who proves they need help from third parties or have reduced mobility, or with a degree of disability equal to or greater than 65 percent.

Autonomous Community of the Balearic Islands: Minimum amounts for the taxpayer, by descendants and by disability

Regulations: Art. 2 Revised Text of the Legal Provisions of the Autonomous Community of the Balearic Islands on Taxes Transferred by the State, approved by Legislative Decree 1/2014, of June 6

Minimum for taxpayers over 65 years of age

- **6,105 euros per year** for the amount of the minimum for general taxpayers
- **Plus 1,265 euros per year** for taxpayers over 65 years of age.
- **Additionally 1,540 euros per year** per taxpayer over 75 years of age.

Minimum for the second, the minimum for the third and the minimum for the fourth and following descendants

- **2970 euros per year** for the second child.
- **4,400 euros per year** for the third descendant.
- **4,950 euros per year** for the fourth and subsequent descendants.

Tax-free threshold for ascendants

- **1,265 euros per year** for each ascendant over 65 years of age or with a disability.
- **Plus 1,540 euros per year** for each ascendant over 75 years of age.

Minimum for disability of the taxpayer and of ascendants or descendants

- **3,300 euros per year** for each taxpayer, ascendant or descendant, when the person has a degree of disability equal to or greater than 33% and less than 65%.
- **9,900 euros per year** for each taxpayer, ascendant or descendant, when the person has a degree of disability equal to or greater than 65%.
- **Plus 3,300 euros per year** for each taxpayer, ascendant or descendant who proves that they need help from third parties or have reduced mobility, or a degree of disability equal to or greater than 65 percent.

Increase in assistance expenses: 3.300 euros

Grade of DISCAPACITY	Disability	Assistance expenses	Total
Equal to or greater than 33% and less than 65%	3.300	----	3.300
Equal to or greater than 33% and less than 65% and who can prove that they need help from third parties or have reduced mobility	3.300	3.300	6.600
Equal to or greater than 65 percent	9.900	3.300	13,200

Autonomous Community of the Canary Islands: Amount of the taxpayer's minimum, and for descendants, ascendants and disability.

Regulations: Art. 18 quater Consolidated Text of the current legal provisions issued by the Autonomous Community of the Canary Islands on transferred taxes, approved by Legislative Decree 1/2009, of April 21

The following minimum amounts for taxpayers are established, for descendants, ascendants, and disability, which taxpayers residing in the territory of the Autonomous Community of the Canary Islands must apply to calculate the regional tax:

Taxpayer tax-free threshold

- **5,606 euros per year** in general
- **Plus 1,162 euros per year** per taxpayer over 65 years of age.
- **Additionally, 1,414 euros per year** per taxpayer over 75 years of age.

Minimum per descendant s

- **2,424 euros per year** for the first offspring.
- **2,727 euros per year** for the second.
- **4,040 euros per year** for the third.
- **4,545 euros per year** for the fourth and subsequent ones.

When the descendant is **under three years of age** , the amount corresponding to the minimum for descendants, as indicated in this article, will be increased by **2,828 euros per year** .

Tax-free threshold for ascendants

- **1,162 euros per year** .
- **Plus 1,414 euros per year** for each ascendant over 75 years of age.

Minimum for disability of the taxpayer and of ascendants or descendants

- **3,030 euros per year** for each taxpayer, ascendant or descendant, when the person has a disability level equal to or greater than 33% and less than 65%.
- **9,090 euros per year** for each taxpayer, ascendant or descendant, when the person has a disability level equal to or greater than 65%.
- **Plus 3,030 euros per year** for assistance expenses for each taxpayer, ascendant or descendant who proves to need assistance from third parties or reduced mobility, or a degree of disability equal to or greater than 65%.

Community of Castilla y León: Minimum personal and family amounts

Regulations: Art. 1 bis Revised text of the legal provisions of the community of Castile and Leon on own and transferred taxes, approved by Legislative Decree 1/2013, of September 12

The same amounts are established for the minimum taxpayer allowance, for descendants and ascendants and for disability as set out in articles 57, 58, 59 and 60 of the Law of IRPFABBR, without any increase or decrease in its amount in accordance with the provisions of Article 46.1 a) of Law 22/2009, of December 18, which regulates the financing system of the Autonomous Communities of the common regime and Cities with Statute of Autonomy and modifies certain tax regulations (BOE December 19).

Autonomous Community of Catalonia: Minimum personal and family amounts

Regulations: Art. 611-2 Consolidated Text of the legal provisions in force in Catalonia regarding transferred taxes, approved by Legislative Decree 1/2024, of March 12, which approves the sixth book of the tax code of Catalonia

The same amount of the taxpayer's personal allowance is established as set out in Article 57 of the Law of IRPFABBR, in general, without any increase or decrease in its amount in accordance with the provisions of Article 46.1 a) of Law 22/2009, of December 18, which regulates the financing system of the Autonomous Communities of the common regime and Cities with Statute of Autonomy and modifies certain tax regulations (BOE December 19).

Autonomous Community of Galicia: Minimum personal and family amounts

Regulations: Art. 4 bis Revised Text of the legal provisions of the Autonomous Community of Galicia on taxes transferred by the State, approved by Legislative Decree 1/2011, of July 28

The following amounts are established for the minimum taxpayers, for descendants, for ascendants and for disability, which must be applied by taxpayers resident in the territory of the Autonomous Community of Galicia for the calculation of the autonomous tax:

Taxpayer tax-free threshold

- **5,789 euros per year** in general.
- **Plus 1,199 euros per year** per taxpayer over 65 years of age.
- **Additionally 1,460 euros per year** per taxpayer over 75 years of age.

Allowance for descendants

- **2,503 euros per year** for the first descendant.
- **2,816 euros per year** for the second.
- **4,172 euros per year** for the third.
- **4,694 euros per year** for the fourth and subsequent years.

When a descendant is **under three years of age**, the amount corresponding to the minimum for descendants, of those indicated above, will be increased by **2,920 euros per year**.

Tax-free threshold for ascendants

- **1,199 euros per year** for each ascendant over 65 years of age or with a disability, regardless of age.
- **Plus 1,460 euros per year** for each ascendant over 75 years of age.

Minimum for disability of the taxpayer and of ascendants or descendants

- **3,129 euros per year** for each taxpayer, ascendant or descendant, when the person has a degree of disability equal to or greater than 33% and less than 65%.
- **9,387 euros per year** for each taxpayer, ascendant or descendant, when the person has a degree of disability equal to or greater than 65%.
- **Plus 3,129 euros per year** for assistance expenses for each taxpayer, ascendant or descendant who proves that they need help from third parties or have reduced mobility, or a degree of disability equal to or greater than 65 percent.

Madrid's community: Minimum personal and family amounts

Regulations: Articles 2, 2 bis, 2 ter and 2 quater Revised Text of the legal provisions of the Community of Madrid on taxes transferred by the State, approved by Legislative Decree 1/2010, of October 21

The following amounts are established for the minimum taxpayers, for descendants, for ascendants and for disability, which must be applied by taxpayers resident in the territory of the Autonomous Community of Madrid for the calculation of the autonomous tax:

Taxpayer tax-free threshold

- **5,956.65 euros per year** in general
- **Plus 1,234.26 euros per year** per taxpayer over 65 years of age.
- **Additionally, 1,502.58 euros per year** per taxpayer over 75 years of age.

Minimum per descendant s

- **2,575.85 euros per year** for the first descendant.
- **2,897.83 euros per year** for the second.
- **4,400 euros per year** for the third.
- **4,950 euros per year** for the fourth and subsequent years.

When a descendant is under three years of age, the amount corresponding to the minimum for descendants, of those indicated above, will be increased by **3,005.16 euros per year**.

Tax-free threshold for ascendants

- **1,234.26 euros per year** .
- **Plus 1,502.58 euros per year** for each ascendant over 75 years of age.

Minimum for disability of the taxpayer and of ascendants or descendants

- **3,219.81 euros per year** for each taxpayer, ascendant or descendant, when the person has a degree of disability equal to or greater than 33% and less than 65%.
- **9,659.44 euros per year** for each taxpayer, ascendant or descendant, when the person has a degree of disability equal to or greater than 65%.
- **Plus 3,219.81 euros annually** for assistance expenses for each taxpayer, ascendant or descendant who proves to need assistance from third parties or reduced mobility, or a degree of disability equal to or greater than 65%.

Autonomous Community of La Rioja: Minimum amounts for disability of descendants

Regulations: Art. 31 bis Law 10/2017, of October 27, consolidating the legal provisions of the Autonomous Community of La Rioja regarding own taxes and transferred taxes

The following amounts are established for the minimum for disability of descendants that must be applied by taxpayers residing in the territory of the Autonomous Community of La Rioja for the calculation of the autonomous tax:

Applicable amounts

- **3,300 euros per year** when the person has a disability level equal to or greater than 33% and less than 65%.
- **9,900 euros per year** when the person has a disability of 65% or more.

Note: The amount for the concept "assistance expenses" is not modified, so the increase for each descendant who proves they need help from third parties or have reduced mobility, or a degree of disability equal to or greater than 65 percent will be 3,000 euros, an amount set in article 60.2 of the Law of IRPFABBR

Valencian Community: Minimum personal and family amounts

Regulations: Art. 2 bis Law 13/1997, of December 23, regulating the autonomous section of the Personal Income Tax and other transferred taxes of the Valencian Community

The following amounts are established for the minimum taxpayers, for descendants, for ascendants and for disability, which must be applied by taxpayers resident in the territory of the Valencian Community for the calculation of the autonomous tax:

Taxpayer tax-free threshold

- **6,105 euros per year** in general.
- **Plus 1,265 euros per year** for taxpayers over 65 years of age.

- **Additionally, 1,540 euros per year** per taxpayer over 75 years of age.

Allowance for descendants

- **2,640 euros per year** for the first descendant.
- **2,970 euros per year** for the second.
- **4,400 euros per year** for the third.
- **4,950 euros per year** for the fourth and subsequent years.

When a descendant is **under three years of age** , the amount corresponding to the minimum for descendants, of those indicated above, will be increased by **3,080 euros per year** .

Tax-free threshold for ascendants

- **1,265 euros per year** .
- **Plus 1,540 euros per year** for each ascendant over 75 years of age.

Minimum for disability of the taxpayer and of ascendants or descendants

- **3,300 euros per year** for each taxpayer, ascendant or descendant, when the person has a degree of disability equal to or greater than 33% and less than 65%.
- **9,900 euros per year** for each taxpayer, ascendant or descendant, when the person has a degree of disability equal to or greater than 65%.
- **Plus 3,300 euros per year** for assistance expenses for each taxpayer, ascendant or descendant who proves that they need help from third parties or have reduced mobility and a degree of disability equal to or greater than 65%.

Comparative table of the amounts of the personal and family allowances, state and regional, for 2025

Minimum personal and family amounts	Minimum per taxpayer	Allowance for descendants	Tax-free threshold for ascendants	Minimum for disability of the taxpayer, descendants and ascendants
State	5,550 euros per year, in general. + 1,150 euros per year, over 65 years old. + 1,400 additional euros per year, over 75 years old.	• 2,400 euros per year for the 1st. • 2,700 euros per year for the 2nd. • 4,000 euros per year for the 3rd. • 4,500 euros per year for the 4th and subsequent years. + 2,800 euros per year, per child under three years of age. (*) In the event of the death of the descendant 2,400 euros.	1,150 euros per year for each ascendant over 65 years of age or with a disability. + 1,400 euros per year, if you are over 75 years old. (*) In the event of the death of the ascendant: 1,150 euros.	• 3,000 euros per year, for disability = or > 33%. • 9,000 euros per year, if the degree of disability = or > 65%. + 3,000 euros per year, if you need help from third parties or reduced mobility or a degree of disability = or > 65%.
CA Andalusia	5,790 euros per year, in general. + 1,200 euros per year, over 65 years old. + 1,460 additional euros per year, over 75 years old.	• 2,510 euros per year for the 1st. • 2,820 euros per year for the 2nd. • 4,170 euros per year for 3. • 4,700 euros per year for the 4th and subsequent years. + 2,920 euros per year, per child under three years of age.	1,200 euros per year for each ascendant over 65 years of age or with a disability. + 1,460 euros per year, over 75 years old.	• 3,130 euros per year, for disability = or > 33%. • 9,390 euros per year, if the degree of disability = or > 65%. + 3,130 euros per year, if you need help from third parties or reduced mobility or a degree of disability = or > 65%.
AC of the Principality of Asturias	6,105 euros per year, in general.	• 2,640 euros per year for the 1st. • 2,970 euros per	1,265 euros per year for each ascendant over	• 3,300 euros per year, for disability = or > 33%.

	+ 1,265 euros per year, over 65 years old. + 1,540 additional euros per year, over 75 years old.	year for the 2nd. • 4,400 euros per year for 3. • 4,950 euros per year for the 4th and subsequent years. + 3,080 euros per year, per child under three years of age.	65 years of age or with a disability. + 1,540 euros per year, over 75 years old.	• 9,900 euros per year, if the degree of disability = or > 65%. + 3,300 euros per year, if you need help from third parties or reduced mobility, or a degree of disability = or > 65%.
CA Balearic Islands	5,550 euros per year, in general. 6,105 euros per year if you are over 65 years old + 1,265 euros per year, over 65 years old + 1,540 additional euros per year, over 75 years old.	• 2,400 euros per year for the 1st. • 2,970 euros per year for the 2nd. • 4,400 euros per year for 3. • 4,950 euros per year for the 4th and subsequent years. + 2,800 euros per year, per child under three years of age.	1,265 euros per year for each ascendant over 65 years of age or with a disability. + 1,540 euros per year, if you are over 75 years old.	• 3,300 euros per year, for disability = or > 33%. • 9,900 euros per year, if the degree of disability = or > 65%. + 3,300 euros per year, if you need help from third parties or reduced mobility or a degree of disability = or > 65%.
AC Canary Islands	5,606 euros per year, in general. + 1,162 euros per year, over 65 years old. + 1,414 additional euros per year, over 75 years old.	• 2,424 euros per year for the 1st. • 2,727 euros per year for the 2nd. • 4,040 euros per year for the 3rd. • 4,545 euros per year for the 4th and subsequent years. + 2,828 euros per year, per child under three years of age.	1,162 euros per year for each ascendant over 65 years of age or with a disability. + 1,414 euros per year, over 75 years old.	• 3,030 euros per year, for disability = or > 33%. • 9,090 euros per year, if the degree of disability = or > 65%. + 3,030 euros per year, if you need help from third parties or reduced mobility or a degree of disability = or > 65%.
Community of Castile and Leon	the same as the state minimums.	the same as the state minimums.	the same as the state minimums.	the same as the state minimums.

AC Catalonia	the same as the state minimums.	the same as the state minimums.	the same as the state minimums.	the same as the state minimums.
CA Galicia	5,789 euros per year, in general. + 1,199 euros per year, if over 65 years old. + 1,460 additional euros per year, if over 75 years old.	• 2,503 euros per year for the 1st. • 2,816 euros per year for the 2nd. • 4,172 euros per year for the 3rd. • 4,694 euros per year for the 4th and subsequent years. + 2,920 euros per year, per child under three years of age.	1,199 euros per year for each ascendant over 65 years of age or with a disability. + 1,460 euros per year, if you are over 75 years old.	• 3,129 euros per year, for disability = or > 33%. • 9,387 euros per year, if the degree of disability = or > 65%. + 3,129 euros per year, if you need help from third parties or reduced mobility or a degree of disability = or > 65%.
Community of Madrid	5,956.65 euros per year, in general. + 1,234.26 euros per year, over 65 years old. + 1,502.58 euros additional per year, over 75 years old.	• 2,575.85 euros per year for the 1st. • 2,897.83 euros per year for the 2nd. • 4,400 euros per year for 3. • 4,950 euros per year for the 4th and subsequent years. + 3,005.16 euros per year, per descendant under three years of age.	1,234.26 euros per year for each ascendant over 65 years of age or with a disability. + 1,502.58 euros per year, over 75 years old.	• 3,219.81 euros per year, for disability = or > 33%. • 9,659.44 euros per year, if the degree of disability = or > 65%. + 3,219.81 euros per year, if you need help from third parties or reduced mobility or a degree of disability = or > 65%.
CA La Rioja	the same as the state minimums.	the same as the state minimums.	the same as the state minimums.	Only for the case of the minimum for descendants: • 3,300 euros per year, for disability = or > 33%. • 9,900 euros per year, if the degree of disability = or > 65%. However, for the minimum allowance for taxpayers, for descendants and

				ascendants when they need help from third parties or have reduced mobility or a degree of disability = or > 65%: + 3,000 euros per year.
Community of Valencia	6,105 euros per year, in general. + 1,265 euros per year, over 65 years old. + 1,540 additional euros per year, over 75 years old.	• 2,640 euros per year for the 1st. • 2,970 euros per year for 2. • 4,400 euros per year for 3. • 4,950 euros per year for the 4th and subsequent years. + 3,080 euros per year, per child under three years of age.	1,265 euros per year for each ascendant over 65 years of age or with a disability. + 1,540 euros per year, over 75 years old.	• 3,300 euros per year, for disability = or > 33%. • 9,900 euros per year, if the degree of disability = or > 65%. + 3,300 euros per year, if you need help from third parties or reduced mobility or a degree of disability = or > 65%.

Practical examples

The following are a series of examples demonstrating the procedure for calculating and applying the amounts of the personal and family allowance, both in cases where the amounts set out in articles 57, 58, 59 and 60 of the Law apply. IRPFABBR as in cases where it is appropriate to apply increased amounts because the taxpayers reside in one of the Autonomous Communities that have exercised the regulatory powers attributed to them by Article 46.1 a) of Law 22/2009, of December 18, which regulates the financing system of the Autonomous Communities of the common regime and Cities with Statute of Autonomy and modifies certain tax regulations (BOE December 19).

Example 1. Married couple with children together, residing in the Autonomous Community of Cantabria

The marriage composed by Mr. ATC and Mrs. MPS, aged 57 and 56 respectively, have three children with whom they live. The eldest, aged 27, has a certified disability of 33%, the second is 22 years old, and the third is 19 years old. None of the children have received income, excluding exempt income, exceeding 8,000 euros per year, nor have they filed a tax return. IRPFABBR.

Determine the amount of the personal and family minimum for both spouses in the case of individual taxation and joint taxation of the family unit for the purposes of calculating the state tax and the regional tax.

Solution :

Previous note: Given that the Autonomous Community of Cantabria has not exercised regulatory powers in the regulation of the amounts of the personal and family allowance, the amount of this allowance is determined in accordance with the provisions of the Law of IRPFABBR It must be used for calculating both the state tax and the regional tax.

1. Individual taxation of Mr. ATC:

State minimum			Regional minimum		
Taxpayer tax-free threshold	General	5.550	Taxpayer tax-free threshold	General	5.550
	Minimum total per taxpayer	5.550		Minimum total per taxpayer	5.550
Allowance for descendants	Son 1 (27 years old) (50% s/2,400)	1,200	Allowance for descendants	Son 1 (27 years old) (50% s/2,400)	1,200
	Son 2 (22 years old) (50% s/2,700)	1,350		Son 2 (22 years old) (50% s/2,700)	1,350
	Son 3 (19 years old) (50% s/4,000)	2,000		Son 3 (19 years old) (50% s/4,000)	2,000
	Minimum total by descendants	4.550		Minimum total by descendants	4.550
Allowance for disability	Son 1 (27 years old) (50% s/3,000)	1,500	Allowance for disability	Son 1 (27 years old) (50% s/3,000)	1,500
Minimum personal and family total		11.600	Minimum personal and family total		11.600

2. Individual taxation of Mrs. MPS:

State minimum			Regional minimum		
Taxpayer tax-free threshold	General	5.550	Taxpayer tax-free threshold	General	5.550
	Minimum total per taxpayer	5.550		Minimum total per taxpayer	5.550
Allowance for	Son 1 (27 years	1,200	Allowance for	Son 1 (27 years	1,200

State minimum			Regional minimum		
descendants	old) (50% s/2,400)		descendants	old) (50% s/2,400)	
	Son 2 (22 years old) (50% s/2,700)	1,350		Son 2 (22 years old) (50% s/2,700)	1,350
	Son 3 (19 years old) (50% s/4,000)	2,000		Son 3 (19 years old) (50% s/4,000)	2,000
	Minimum total by descendants	4.550		Minimum total by descendants	4.550
Allowance for disability	Son 1 (27 years old) (50% s/3,000)	1,500	Allowance for disability	Son 1 (27 years old) (50% s/3,000)	1,500
Minimum personal and family total		11.600	Minimum personal and family total		11.600

3. Joint taxation of the unit familiar: [\(1\)](#)

State minimum			Regional minimum		
Taxpayer tax-free threshold	General	5.550	Taxpayer tax-free threshold	General	5.550
	Minimum total per taxpayer	5.500		Minimum total per taxpayer	5.550
Allowance for descendants	Son 1 (27 years old)	2,400	Allowance for descendants	Son 1 (27 years old)	2,400
	Son 2 (22 years old)	2,700		Son 2 (22 years old)	2,700
	Son 3 (19 years old)	4.000		Son 3 (19 years old)	4.000
	Minimum total by descendants	9.100		Minimum total by descendants	9.100
Allowance for disability	Son 1 (27 years old)	3,000	Allowance for disability	Son 1 (27 years old)	3,000
Minimum personal and family total		17.650	Minimum personal and family total		17.650

Note to example:

(1) Regardless of the number of members in the family unit, the minimum amount for taxpayers is, in any case, 5,550 euros per year. However, in the joint taxation of the family unit, the taxable base may be reduced by 3,400 euros per year prior to the legally established reductions. See, in this regard, Chapter 13 above, which discusses the [reductions in the general tax base](#) and [savings](#). [\(Back\)](#)

Example 2. De facto couple with common children, residents in the Valencian Community

Mr. AST and Mrs. MVV, live together without any marital bond and have three children in common who live with them and whose ages are 18, 12 and 6 years old, respectively. The youngest son has obtained 4,050 euros in capital gains from a securities portfolio donated by his maternal grandfather at birth. The remaining children have not obtained income in the year.

Determine the amount of the personal and family minimum for both taxpayers in the case of individual taxation and joint taxation for the purposes of calculating the state tax and the regional tax.

Solution:

Previous note: The Valencian Community has exercised regulatory powers in regulating the amounts of the personal and family allowance, increasing the amounts of the personal and family allowances set in the Law of IRPFABBR.

1. Individual taxation of the father (Mr. AST) and the mother (Mrs. MVV):

State minimum			Regional minimum		
Taxpayer tax-free threshold	General	5.550	Taxpayer tax-free threshold	General	6.105
	Minimum total per taxpayer	5.550		Minimum total per taxpayer	6.105
Allowance for descendants	Child 1 (18 years old) (50% s/2,400)	1,200	Allowance for descendants	Child 1 (18 years old) (50% s/2,640)	1.320
	Child 2 (12 years old) (50% s/2,700)	1,350		Child 2 (12 years old) (50% s/2,970)	1.485
	Son 3 (6 years old) (1)	0		Son 3 (6 years old) (1)	0
	Minimum total by descendants	2.550		Minimum total by descendants	2.805
Minimum personal and family total		8.100	Minimum personal and family total		8.910

Note to example:

(1) The youngest child is required to file a declaration of IRPFABBR due to the income obtained during the year (income from movable capital subject to withholding tax not exempt for an amount exceeding 1,600 euros per year).

If the father and mother choose to file taxes individually, the younger child must also file their own individual tax return. IRPFABBR. Furthermore, when filing an individual declaration of IRPFABBR with incomes exceeding 1,800 euros, will not entitle either of their parents to the application of the minimum for descendants in their respective tax returns.

It should be noted that in the individual declaration of the youngest child (child 3), the amount of 5,550 euros (minimum for the state taxpayer) and 6,105 euros (minimum for the regional taxpayer) must appear as the taxpayer's minimum. [\(Return to state minimum\)](#) [\(Return to regional minimum\)](#)

2. Joint income tax return of the father or mother with minor children: [\(2\)](#)

State minimum			Regional minimum		
Taxpayer tax-free threshold	General	5.550	Taxpayer tax-free threshold	General	6.105
	Minimum total per taxpayer	5.550		Minimum total per taxpayer	6.105
Allowance for descendants	Child 1 (18 years old) (50% s/2,400)	1,200	Allowance for descendants	Child 1 (18 years old) (50% s/2,640)	1.320
	Child 2 (12 years old) (50% s/2,700)	1,350		Child 2 (12 years old) (50% s/2,970)	1.485
	Son 3 (6 years old)	4.000		Son 3 (6 years old)	4.400
	Minimum total by descendants	6.550		Minimum total by descendants	7.205
Minimum personal and family total		12.100	Minimum personal and family total		13.310

Note to example:

(2) Since there is no marital bond between the parents, the family unit may be formed, at their choice, by the father or the mother with the two minor children (children 2 and 3), without it being possible, for tax purposes, for both parents with the aforementioned children to form a single family unit.

The minimum taxpayer tax applicable to joint taxation by a father or mother with minor children is 5,550 euros per year (state minimum) and 6,105 euros (regional minimum for residents of the Valencian Community).

Furthermore, since the father and mother live together with the children who are part of the family unit, the reduction of the taxable base of 2,150 euros per year referred to in article 84 of the Law is not applicable. IRPFABBR. See, in this regard, Chapter 13 above, which discusses the [reductions in the general tax base](#) and [savings](#).

In the case of joint taxation of the father or mother with minor children (children 2 and 3), the minimum for descendants must be distributed equally between the parents with whom the descendants live and who do not have incomes exceeding 1,800 euros, even if one of them pays taxes jointly with the children. This is the reason

why the minimum for descendants corresponding to the youngest child (child 3), with income exceeding 1,800 euros, corresponds entirely to the father or mother with whom he or she pays taxes jointly. Consequently, the other parent will not be entitled to apply the Minimum for descendants for said child.

The minimum for descendants corresponding to child 1, who, being of legal age, is not part of the family unit, also corresponds to both parents in equal parts. In this case, the amount approved by the Valencian Community is applied, which modifies the amount corresponding to the minimum for descendants. [\(Back\)](#)

3. Individual taxation of the other parent: [\(3\)](#)

State minimum			Regional minimum		
Taxpayer tax-free threshold	General	5.550	Taxpayer tax-free threshold	General	6.105
	Minimum total per taxpayer	5.550		Minimum total per taxpayer	6.105
Allowance for descendants	Child 1 (18 years old) (50% s/2,400)	1,200	Allowance for descendants	Child 1 (18 years old) (50% s/2,640)	1.320
	Child 2 (12 years old) (50% s/2,700)	1,350		Child 2 (12 years old) (50% s/2,970)	1.485
	Son 3 (6 years old)	0		Son 3 (6 years old)	0
	Minimum total by descendants	2.550		Minimum total by descendants	2.805
Minimum personal and family total		8.100	Minimum personal and family total		8.910

Note to example:

(3) The other parent in his/her individual declaration is only entitled to apply half of the minimum for descendants corresponding to the 1st child. and 2, since none of them have income greater than 1,800 euros. In this regard, in determining the minimum for descendants, the amount approved by the Valencian Community has been applied again, which modifies the amount corresponding to the minimum for descendants. [\(Back\)](#)

Example 3. Marriage with which a grandson and the father of one of the spouses live, residing in the Autonomous Community of Aragón

Mr. SCB and Mrs. BTL They are married. The husband, aged 67, has a certified disability of 33%. The woman, aged 65, does not work outside the family home.

The couple has three children who live with them: The eldest son, aged 28, has a certified disability of 65%. The middle son, 23 years old, is a student. The youngest daughter, 20 years old, has a one-year-old son. None of them have earned income exceeding 8,000 euros in the year, nor filed a tax return. IRPFABBR.

The husband's father, who is 95 years old and has a proven disability of 65%, also lives in the same household. His income, derived exclusively from a retirement pension, amounts to 7,500 euros per year in the current financial year. For the 2025 tax year, no tax return has been filed. IRPFABBR.

Determine the amount of the personal and family minimum for marriage in the event of joint taxation of the family unit for the purposes of calculating the state tax and the regional tax.

Solution:

Previous note: Given that the Autonomous Community of Aragon has not exercised regulatory powers in the regulation of the amounts of the personal and family allowance, the amount of this allowance is determined in accordance with the provisions of the Law of IRPFABBR. It must be used for calculating both the state tax and the regional tax.

State minimum			Regional minimum		
Taxpayer tax-free threshold	General	5.550	Taxpayer tax-free threshold	General	5.550
	Increase due to husband being over 65 years of age	1.150		Increase due to husband being over 65 years of age	1.150
	Increase due to women over 65 years of age	1.150		Increase due to women over 65 years of age	1.150
	Minimum total per taxpayer	7.850		Minimum total per taxpayer	7.850
Allowance for descendants	Son 1 (28 years old)	2,400	Allowance for descendants	Son 1 (28 years old)	2,400
	Son 2 (23 years old)	2,700		Son 2 (23 years old)	2,700
	Son 3 (20 years old)	4.000		Son 3 (6 years old)	4.000
	Grandson 4 (1 year)	4.500		Grandson 4 (1 year)	4.500
	Increase for a descendant under three years of age	2.800		Increase for a descendant under three years of age	2.800
	Minimum total by descendants	16.400		Minimum total by descendants	16.400
Tax-free	Father of Don	2.550	Tax-free	Father of Don	2.550

State minimum			Regional minimum		
threshold for ascendants ⁽¹⁾	SCB (95 years old)		threshold for ascendants ⁽¹⁾	SCB (95 years old)	
Allowance for disability	From the taxpayer (Mr. SCB) with a degree of 33%)	3,000	Allowance for disability	From the taxpayer (Mr. SCB) with a degree of 33%)	3,000
	From the descendant (Son 1 with a degree of 65%)	9.000		From the descendant (Son 1 with a degree of 65%)	9.000
	From the ascendant (with a degree of 65%)	9.000		From the ascendant (with a degree of 65%)	9.000
	Increase in the concept of expenses for assistance of the descendant	3,000		Increase in the concept of expenses for assistance of the descendant	3,000
	Increase in the concept of assistance expenses of the ascendant	3,000		Increase in the concept of assistance expenses of the ascendant	3,000
	Minimum total for disability	27,000		Minimum total for disability	27,000
Minimum total personal and family ⁽²⁾		53,800	Minimum total personal and family ⁽²⁾		53,800

Note to example:

(1) 1,150 euros for those over 65 years of age + 1,400 for those over 75 years of age = 2,550 euros [\(Return to state minimum\)](#) [\(Return to regional minimum\)](#)

(2) A reduction of the tax base of 3,400 euros per year may also be applied in the joint declaration of the family unit, prior to the legally established reductions. See, in this regard, Chapter 13 above, which discusses the [reductions in the general tax base](#) and [savings](#). [\(Return to state minimum\)](#) [\(Return to regional minimum\)](#)

Example 4. Marriage with common children and ascendants who live with them, residing in the Autonomous Community of Andalusia

The couple formed by Mr. TVZ and Mrs. MGM, aged 46 and 50, respectively. Mrs. MGM has a recognized disability level of 34%.

The couple has two children living with them. The oldest is 15 years old and the second is 10 years old. They are both students, and they depend on them financially.

Mrs. MGM's parents also live in the couple's home. The mother, aged 70, receives income exclusively from a contributory pension for permanent total disability that she receives from Social Security, without having the corresponding disability certificate issued by the relevant body. The father, 77 years old and a pensioner, received employment income in 2025 amounting to 22,800 euros

Determine the amount of the personal and family minimum for both spouses in the case of individual taxation and joint taxation of the family unit for the purposes of calculating the state tax and the regional tax.

Solution:

Previous note: The Autonomous Community of Andalusia has exercised regulatory powers in regulating the amounts of the personal and family allowance, increasing the amounts of the personal and family allowances established in the Law of IRPFABBR.

1. Individual taxation of Mr. TVZ: [\(1\)](#)

State minimum			Regional minimum		
Taxpayer tax-free threshold		5.550	Taxpayer tax-free threshold		5.790
Allowance for descendants	Child 1 (15 years old) (50% s/2,400)	1,200	Allowance for descendants	Child 1 (15 years old) (50% s/2,510)	1.255
	Child 2 (10 years old) (50% s/2,700)	1,350		Child 2 (10 years old) (50% s/2,820)	1.410
	Minimum total by descendants	2.550		Minimum total by descendants	2,665
Minimum personal and family total		8.100	Minimum personal and family total		8.455

Note to example:

(1) Both in determining the minimum per taxpayer and by descendants, the regional amounts established in article 23 bis of Law 5/2021, of October 20, on Assigned Taxes of the Autonomous Community of Andalusia, have been applied. Furthermore, Mr. TVZ does not apply the minimum for ascendants.[\(Back\)](#)

2. Individual taxation of Ms. MGM: [\(2\)](#)

State minimum		Regional minimum	
Taxpayer tax-free threshold	5.550	Taxpayer tax-free threshold	5.790

State minimum			Regional minimum		
Allowance for descendants	Child 1 (15 years old) (50% s/2,400)	1,200	Allowance for descendants	Child 1 (15 years old) (50% s/2,510)	1.255
	Child 2 (10 years old) (50% s/2,700)	1,350		Child 2 (10 years old) (50% s/2,820)	1.410
	Minimum total by descendants	2.550		Minimum total by descendants	2,665
Tax-free threshold for ascendants	Mother of Mrs. MGM (70 years old)	1.150	Tax-free threshold for ascendants	Mother of Mrs. MGM (70 years old)	1,200
Minimum for disability	From the taxpayer (Mrs. MGM) with a degree of 34%)	3,000	Minimum for disability	From the taxpayer (Mrs. MGM) with a degree of 34%)	3.130
	From the ascendant (he is granted a 33% degree for permanent absolute disability pension from S.Social)	3,000		From the ascendant (he is granted a 33% degree for permanent absolute disability pension from S.Social)	3.130
	Minimum total for disability	6,000		Minimum total for disability	6.260
Minimum personal and family total		15.250	Minimum personal and family total		15.915

Note to example:

(2) Both in the minimum per taxpayer, per descendants and per ascendant, as well as in the minimum per disability, of the taxpayer and ascendant, the regional amounts established in article 23 bis of Law 5/2021, of October 20, on Transferred Taxes of the Autonomous Community of Andalusia have been applied.

Regarding the minimum for ascendants, it must be taken into account that the pension for permanent absolute disability received by Mrs. MGM's mother is exempt in accordance with the provisions of Article 7(f) of the Law IRPFABBR and that, therefore, since it is his only income, he meets the requirement of not having obtained income exceeding 8,000 euros per year in the year, excluding those exempt from tax, and also the requirement of not submitting an income tax return in the year with income exceeding 1,800 euros. However, the father would exceed the income level required for the application of the minimum for ascendants.

On the other hand, with respect to the minimum disability per ascendant corresponding to Mrs. MGM's mother, although the way to prove the degree of disability is through the certificates issued by the Institute of Migration and Social Services or the competent body of the Autonomous Communities, article 60 of the Personal Income Tax Law will consider a degree of disability equal to or greater than 33% to be accredited in the case of Social Security pensioners who have a recognized permanent total, absolute or severe disability pension, therefore that its application proceeds recognizing a disability of 33%. [\(Back\)](#)

1. Joint taxation of the family unit [\(3\)](#)

State minimum			Regional minimum		
Taxpayer tax-free threshold		5.550	Taxpayer tax-free threshold		5.790
Allowance for descendants	Son 1 (15 years old)	2,400	Allowance for descendants	Son 1 (15 years old)	2.510
	Son 2 (10 years old)	2,700		Son 2 (10 years old)	2.820
	Minimum total by descendants	5.100		Minimum total by descendants	5.330
Tax-free threshold for ascendants	Mother of Mrs. MGM (70 years old)	1.150	Tax-free threshold for ascendants	Mother of Mrs. MGM (70 years old)	1,200
Minimum for disability	From the taxpayer (Mrs. MGM) with a degree of 34%)	3,000	Minimum for disability	From the taxpayer (Mrs. MGM) with a degree of 34%)	3.130
	From the ascendant (he is granted a 33% degree for permanent absolute disability pension from S.Social)	3,000		From the ascendant (he is granted a 33% degree for permanent absolute disability pension from S.Social)	3.130
	Minimum total for disability	6,000		Minimum total for disability	6.260
Minimum personal and family total		17,800	Minimum personal and family total		18.580

Note to example:

(3) Both in the minimum per taxpayer, per descendants and per ascendant, as well as in the minimum per disability, of the taxpayer and ascendant, the regional amounts established in article 23 bis of Law 5/2021, of October 20, on Transferred Taxes of the Autonomous Community of Andalusia have been applied.

Also, regarding the minimum for ascendants and for disability of ascendants, take into account what is indicated in note 2.

Finally, it should be noted that, regardless of the number of members in the family unit, the minimum for the taxpayer is, in any case, 5,550 euros per year (state minimum) and 5,790 (regional minimum for residents of the Autonomous Community of Andalusia). However, in the joint taxation of the family unit, the taxable base may be reduced by 3,400 euros per year prior to the legally established reductions. See, in this regard, Chapter 13 above, which discusses the [reductions in the general tax base](#) and [savings](#). [\(Back\)](#)

Example 5. Marriage with common and non-common children, residents in the Autonomous Community of the Balearic Islands

The couple made up of Mr. RSC and Mrs. RRT, aged 66 and 56, respectively. Don RSC has a recognized disability level of 33%.

The couple has four children. Two common children, 22 and 21 years old, respectively, and two others, 26 and 24 years old, from a previous marriage of Mr. RSC. None of the children have received income, excluding exempt income, exceeding 8,000 euros per year, nor have they filed a tax return. IRPFABBR.

Determine the amount of the personal and family minimum for both spouses in the case of individual taxation of each of the spouses and joint taxation of the family unit for the purposes of calculating the state tax and the regional tax.

Solution:

Previous note: The Autonomous Community of the Balearic Islands has exercised regulatory powers in regulating the amounts of the personal and family minimum, increasing by 10% the amounts corresponding to the minimum for taxpayers over 65 years of age and over 75 years of age, the minimum for the latter. third and fourth descendants and successive descendants, minimum by ascendants, and minimum by disability.

1. Individual taxation of Mr. RSC:⁽¹⁾

State minimum			Regional minimum		
Taxpayer tax-free threshold	General	5.550	Taxpayer tax-free threshold	General	6.105
	Over 65 years old	1.150		Over 65 years old	1.265
	Minimum total per taxpayer	6,700		Minimum total per taxpayer	7.370
Allowance for descendants	Son 1 (24 years old)	2,400	Allowance for descendants	Son 1 (24 years old)	2,400
	Son 2 (22 years old) (50% s/2,700)	1,350		Child 2 (22 years old) (50% s/2,970)	1.485
	Son 3 (21 years old) (50% s/4,000)	2,000		Son 3 (21 years old) (50% s/4,400)	2,200
	Minimum total by descendants	5.750		Minimum total by descendants	6,085

State minimum			Regional minimum		
Allowance for disability	Taxpayer (Don RSC 33%)	3,000	Allowance for disability	Taxpayer (Don RSC 33%)	3.300
Minimum personal and family total		15,450	Minimum personal and family total		16,755

Note to example:

(1) In determining the increase in the minimum allowance for taxpayers over 65 years of age, the minimum allowance for the second and third dependents, and the minimum allowance for disability, the amount approved by the Autonomous Community of the Balearic Islands has been applied, which increases by 10 percent the amounts set in articles 57, 58, 59 and 60 of the Law of IRPFABBR.

Regarding the two children from Mr. RSC's previous marriage Those over 26 years of age do not meet the age requirement (under 25 years of age) and therefore do not qualify for the minimum for descendants. Secondly, Mr. RSC, being the person with whom said descendant lives, being under 25 years old and without income, excluding exempt income, exceeding 8,000 euros per year and not having filed an income tax return, can apply the minimum for descendants in its entirety, [\(Back\)](#)

2. Individual taxation of Mrs. RRT:⁽²⁾

State minimum			Regional minimum		
Taxpayer tax-free threshold		5.550	Taxpayer tax-free threshold		5.550
Allowance for descendants	Child 1 (22 years old) (50% s/2,400)	1,200	Allowance for descendants	Child 1 (22 years old) (50% s/2,400)	1,200
	Son 2 (21 years old) (50% s/2,700)	1,350		Child 2 (21 years old) (50% s/2,970)	1.485
	Minimum total by descendants	2.550		Minimum total by descendants	2,685
Minimum personal and family total		8.100	Minimum personal and family total		8,235

Note to example:

(2) The regional minimum per taxpayer since she is not a RRT over 65 years old is 5,550 euros. In the case of the minimum allowance for the second and third dependent and the minimum allowance for disability, the amount approved by the Autonomous Community of the Balearic Islands has been applied, which increases by 10 percent the amounts set in articles 57, 58, 59 and 60 of the Law of IRPFABBR. [\(Back\)](#)

3. Joint taxation of the family unit ⁽³⁾

State minimum			Regional minimum:		
Minimum of the taxpayer	General	5.550	Minimum of the taxpayer	General	6.105
	Over 65 years old	1.150		Over 65 years old	1.265
	Minimum total per taxpayer	6,700		Minimum total per taxpayer	7.370
Allowance for descendants	Child 1 (24 years old) (100% s/2,400)	2,400	Allowance for descendants	Child 1 (24 years old) (100% s/2,400)	2,400
	Son 2 (22 years old) (100% s/2,700)	2,700		Child 2 (22 years old) (100% s/2,970)	2,970
	Son 3 (21 years old) (100% s/4,000)	4.000		Child 3 (21 years old) (100% s/4,400)	4.400
	Minimum total by descendants	9.100		Minimum total by descendants	9,770
Allowance for disability	Taxpayer (Don RSC 33%)	3,000	Allowance for disability	Taxpayer (Don RSC 33%)	3.300
Minimum personal and family total		18,800	Minimum personal and family total		20,440

Note to example:

(3) In determining the increase in the minimum allowance for taxpayers over 65 years of age, the minimum allowance for the second and third dependents, and the minimum allowance for disability, the amount approved by the Autonomous Community of the Balearic Islands has been applied, which increases by 10 percent the amounts set in articles 57, 58, 59 and 60 of the Law of IRPFABBR.

The minimum taxpayer under Article 57 of the Law IRPFABBR It is in any case 5,550 euros per year (state minimum) and 7,370 (regional minimum for residents in the Balearic Islands over 65 years of age) regardless of the number of members of the family unit. However, in the joint taxation of the family unit, the taxable base can be reduced by 3,400 euros per year, prior to the legally established reductions. See, in this regard, Chapter 13 above, which discusses the [reductions in the general tax base](#) and [savings](#). [\(Back\)](#)

Example 6. Taxpayer with a child adopted during the year with a disability, residents in the Autonomous Community of La Rioja

Ms. MMA, 31 years old and residing in Logroño, adopted on May 5, 2025, by means of a court order that was registered in the Civil Registry in November of that year, a 5-year-old child with a 40 percent disability who lives with her and who has not obtained income, excluding exempt income, exceeding 8,000 euros annually nor has filed a tax return.

IRPFABBR.

Determine the amount of the personal and family minimum for joint taxation for the purposes of calculating the state tax and the regional tax.

Solution:

Previous note: The Autonomous Community of La Rioja has exercised regulatory powers in regulating the amounts of the personal and family minimum, increasing the amount of the minimum for the disability of descendants by 10%.

Joint taxation of the family unit [\(1\)](#):

State minimum			Regional minimum		
Taxpayer tax-free threshold		5.550	Taxpayer tax-free threshold		5.550
Allowance for descendants	Son	2,400	Allowance for descendants	Son	2,400
	Increase for minor 3 years (2)	2.800		Increase for minor 3 years (2)	2.800
Allowance for disability	Son	3,000	Allowance for disability	Son (3)	3.300
Minimum personal and family total		13.750	Minimum total personal and family		14.050

Notes to the example:

(1) The minimum taxpayer under Article 57 of the Law IRPFABBR It is, in any case, 5,550 euros per year regardless of the number of members in the family unit. However, in the case of joint taxation of the family unit, the taxable base can be reduced by 2,150 euros per year, as it is the second of the types of family unit referred to in article 82 of the Law of IRPFABBR, prior to the legally established reductions. See, in this regard, Chapter 13 above, which discusses the [reductions in the general tax base](#) and [savings](#). [\(Back\)](#)

(2) The minimum increase for dependents under 3 years of age applies, in accordance with the provisions of article 58.2 of the Law of IRPFABBR which states that "in cases of adoption or foster care, both pre-adoptive and permanent, this increase will occur, regardless of the child's age, in the tax period in which it is registered in the Civil Registry and in the following two periods. When registration is not necessary, the increase may be made in the tax period in which the corresponding judicial or administrative resolution is issued and in the two following periods." [\(Return family unit\)](#) [\(Return increase < 3 years\)](#)

(3) In determining the minimum for disability of the descendant, the amount approved by the Autonomous Community of La Rioja has been applied, which modifies the amount corresponding to the minimum for disability of descendants. [\(Return son\)](#)

Table: Judicial separations, divorces or annulments (with children): Joint taxation and application of the minimum for descendants

Judicial separations, divorces or annulments (with children): taxation in the IRPFABBR

Statement of the IRPFABBR	Children with the following requirements	Terms of the resolution or agreement	Who applies it in the IRPFABBR
Option to file taxes jointly with children	- Children under 18 years of age, except those who, with the consent of their parents, live independently of them and - Adult children who, before September 3, 2021, had been declared judicially incapacitated, subject to extended or rehabilitated parental authority. - Children of legal age for whom representative guardianship has been judicially declared as of September 3, 2021.	Without guard and custody shared	It corresponds to the parent who has been assigned custody of the children on the date the tax is due, that is, December 31.
		With shared guard and custody	The option to file taxes jointly with the children can be exercised by either of the two parents (but only one of them) However, if one of the parents dies during the fiscal year on a day other than December 31, only the surviving parent can file a joint return with the child.
Minimum by descendants	- Children under 25 years of age - Children with disabilities, regardless of their age, That they meet the following requirements: 1) Who live with the taxpayer or are financially dependent on him 2) That they have not obtained income in the year exceeding 8,000	Coexistence	- If custody is shared, the minimum will be prorated between the two parents. - If custody is not shared, the parent who has been awarded custody or, once this has been terminated, the parent with whom the children live will be entitled to the entire minimum for descendants, except as indicated in the following case [economic dependency].
		Economic dependence	If custody is not shared, the parent who, without having been assigned custody of the children and without paying annual child support payments

Statement of the IRPFABBR	Children with the following requirements	Terms of the resolution or agreement	Who applies it in the IRPFABBR
	euros per year, excluding income exempt from personal income tax.		in their favor by court order, nevertheless contributes to their financial support, will be entitled to the application of the minimum for descendants (economic dependency that is assimilated to cohabitation), prorated equally with the parent who has custody. On the other hand, parents who do NOT live with their children, but provide them with support by court order, will apply the regime provided for annual alimony, but NOT the minimum for descendants.
	3) That children under 25 years of age or with disabilities, whatever their age, do not file a declaration of IRPFABBR with incomes exceeding 1,800 euros.	If the child declares jointly with one of the parents	- If the child has income greater than 1,800 euros, the parent with whom he/she pays joint taxes applies the entire minimum for descendants and the other parent in no case has the right to the minimum. However, if one of the parents dies during the tax period, and the descendant's income is greater than 1,800 euros, the minimum will be prorated 50% between the two parents, provided that the deceased parent at the date of death was entitled to the minimum for descendants, it being irrelevant whether the surviving parent pays taxes jointly with the descendant. - If the child has income equal to or less than 1,800 euros the minimum will be prorated in the case of shared custody or cohabitation with both parents or in the case of economic dependency unless the parent is obliged to apply annual alimony payments.
		If the child declares individually	- If the child's income is equal to or less than 1,800 euros, taxpayers with the right to apply the minimum for descendants, provided that the remaining requirements are met. - If their income is greater than 1,800 euros, none of them can apply the



Statement of the IRPFABBR	Children with the following requirements	Terms of the resolution or agreement	Who applies it in the IRPFABBR
			minimum for descendants.

Chapter 15. Tax calculation: determination of full quotas

Introduction

In general

The determination of the full quotas of IRPFABBR It is calculated based on the two components into which the taxpayer's taxable base is divided:

- **General taxable base** to which the progressive rates of the state and regional scales are applied.
- **Taxable savings base** to which the rates of the corresponding state and regional scales are applied.

Based on this general scheme, certain specializations are incorporated, derived, on the one hand, from the very nature of IRPFABBR as a tax partially ceded to the Autonomous Communities and, on the other hand, from the specific liquidation regime assigned to the personal and family minimum, to exempt income, except to determine the tax rate applicable to the remaining income, also called "exempt income with progressivity" and the alimony payments in favor of the children made by judicial decision.

State tax and regional tax

Personal income tax (IRPF) is a tax that has been partially transferred, with a limit of 50 percent., under the terms established in Organic Law 8/1980, of September 22, on the financing of the Autonomous Communities, last amended for the purposes of IRPFABBR, by Organic Law 3/2009, of December 18 (BOE December 19).

As a result of the transfer of personal income tax, two phases are distinguished within the tax settlement procedure: one state-wide and one regional-wide. Thus, both the general taxable base and the savings taxable base are subject to a state tax and an autonomous tax, which give rise to a state and an autonomous rate. Based on the latter, the portion of tax debt that is transferred to each Autonomous Community of the common regime is determined.

With regard to the **autonomous quota**, it should be noted that the Autonomous Communities of the common regime may, in accordance with the provisions of article 46.1 of Law 22/2009, of December 18 (BOE of December 19), assume regulatory powers in determining the amount of the personal and family minimum applicable for the calculation of the autonomous tax and on the autonomous scale applicable to the general taxable base.

Regarding the amount of the personal and family allowance applicable for calculating the regional tax The Autonomous Communities of Andalusia, Galicia, the Balearic Islands, the Canary Islands, La Rioja, as well as the Communities of Castile and León, Catalonia, Madrid and the Valencian Community, have approved the amounts of the personal and family minimum that taxpayers residing in their territory in 2025 must use for the calculation of the regional tax. These autonomous amounts are discussed in [Chapter 14](#).

The amounts of the personal and family minimum established in the Law apply to the Autonomous Communities of Castile and León and Catalonia (because their amounts do not differ), as well as to the rest of the Autonomous Communities that have not exercised such regulatory competence. IRPFABBR.

Regarding the regional scales, **All the autonomous communities have approved**, In accordance with the provisions of Article 46 of Law 22/2009, which regulates the financing system of the Autonomous Communities under the common regime and Cities with a Statute of Autonomy, and Article 74 of the Law of IRPFABBR, **the corresponding regional scales applicable in the year 2025** which are detailed later.

However, the regional scale set out in Article 65 of the Law applies to taxpayers habitually resident in Ceuta and Melilla. IRPFABBR (Thirty-second Additional Provision of the Law IRPFABBR).

Likewise, in the case of taxpayers with habitual residence abroad due to any of the circumstances referred to in articles 8.2 and 10.1 of the Law IRPFABBR, the determination of the total full quota presents certain special features which are discussed in a specific section of this Chapter ("[Tax applicable to personal income tax \(IRPF\) taxpayers residing abroad](#)").

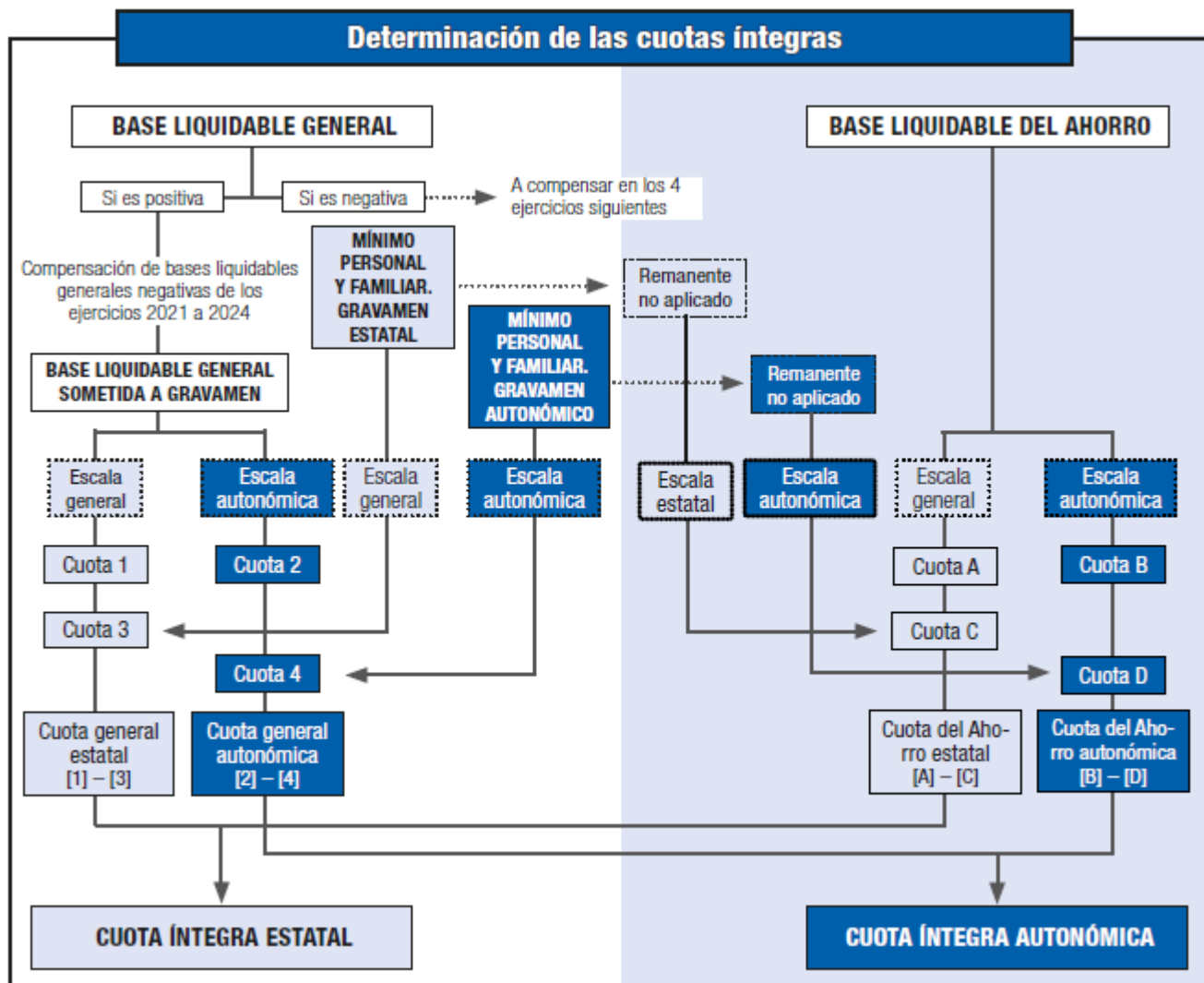
Application of the personal and family minimum

Regulations: Articles 63.1.2 and 74.1.2 Law IRPFABBR

In order to ensure the same tax savings for all taxpayers with the same personal and family circumstances, whatever their income level, the current Law on IRPFABBR The personal and family allowance does not reduce the income for the tax period, but forms part of the general taxable base up to the amount of the latter and, where applicable, of the savings taxable base for the remainder.

The application of the personal and family allowance and the determination of the full quotas of IRPFABBR They are represented graphically in the diagram shown in the following section:

Graphic scheme: Application of personal and family minimum and determination of full contributions



Taxation of the general taxable base

The taxation of the general taxable base of personal income tax is structured in four phases:

Phase 1: The general and regional tax scales are applied to the entire general taxable base, including the amount corresponding to the personal and family allowance that forms part of it. IRPFABBR obtaining the corresponding partial installments (Installment 1 and Installment 2).

Phase 2: The portion of the general taxable base corresponding to the state personal and family allowance established in the Personal Income Tax (IRPF) is subject to the general scale of IRPFABBR, obtaining the partial installment (Installment 3).

Phase 3: The corresponding autonomous scale is applied to the part of the general taxable base corresponding to the personal and family minimum increased or decreased by the amounts established, where applicable, by the Autonomous Community in its autonomous

regulations, obtaining the partial quota (Quota 4).

The Autonomous Community of Andalusia, the Autonomous Community of Galicia, the Autonomous Community of the Balearic Islands, the Autonomous Community of the Canary Islands, the Community of Madrid, the Autonomous Community of La Rioja and the Valencian Community have regulated amounts for the personal and family allowance that differ from those established in the Law of IRPFABBR. Consequently, taxpayers resident in its territory must apply, for the purposes of the autonomous tax (phase 3), the amounts regulated in the regulations of said Autonomous Community.

All other taxpayers (including those in the Autonomous Communities of Catalonia and Castile and León, which have set minimum personal and family tax amounts identical to those established in the Personal Income Tax Law) must apply the same amount of minimum personal and family tax for the purposes of the state tax (phase 2) and the regional tax (phase 3).

Phase 4: The general state full quota (Quota 1 minus Quota 3) and the general autonomous full quota (Quota 2 minus Quota 4) are calculated from the four partial quotas obtained.

Taxation of the taxable base of savings

The taxation of the taxable base of personal income tax savings is structured in four phases:

Phase 1: The amount of the taxable base of savings is taxed at the rates of the savings scale, state and regional, set for 2025, obtaining the corresponding partial quotas (Quota A and Quota B).

Phase 2: The amount of the state contribution resulting from applying the scale to the taxable base of savings (Contribution A) will be reduced, where appropriate, by the amount derived from applying to the remaining state personal and family minimum not applied (that is, to the excess of the aforementioned minimum over the amount of the general taxable base) the state savings scale set for 2025 (Contribution C).

Phase 3: The amount of the regional contribution resulting from applying the scale to the taxable base of savings (Contribution B) will be reduced by the amount derived from applying to the unapplied balance of the regional personal and family minimum (that is, to the excess of the aforementioned minimum over the amount of the general taxable base) the regional savings scale set for 2025 (Contribution D).

Phase 4: From the four partial quotas obtained, the full quota of state savings (Quota A minus Quota C) and the full quota of regional savings (Quota B minus Quota D) are calculated.

Taxation of the general taxable base

State lien

Regulations: Art. 63.1.1 Law IRPFABBR

The taxpayer's general taxable base must be taxed at the rates indicated in the general scale of IRPFABBR which is reproduced below:

Scale applicable regardless of your place of residence

Taxable base up to euros	Full amount euros	Remaining taxable base up to euros	Applicable Type Percentage
0.00	0.00	12,450.00	9.50
12,450.00	1,182.75	7,750.00	12.00
20,200.00	2,112.75	15,000.00	15.00
35,200.00	4,362.75	24,800.00	18.50
60,000.00	8,950.75	240,000	22.50
300,000.00	62,950.75	From there on	24.50

The resulting amount will be reduced by the amount derived from applying this same scale to the part of the general taxable base corresponding to the personal and family minimum.

Average general state tax rate

Regulations: Art. 63.2 Law IRPFABBR

The average rate of general state tax is understood to be the one derived from multiplying by 100 the quotient resulting from dividing the rate obtained by applying the previous scale by the general taxable base. The average rate of general state tax will be expressed with two decimal places without rounding.

Autonomous tax

Regulations: Art. 74.1.1 and 2 Law IRPFABBR

The general taxable base will be subject to the rates of the regional scale of IRPFABBR that, in accordance with the provisions of Law 22/2009, which regulates the financing system of the Autonomous Communities of common regime and Cities with Statute of Autonomy, have

been approved by the Autonomous Community.

The resulting amount will be reduced by the amount derived from applying the regional scale approved by each Autonomous Community to the part of the general taxable base corresponding to the personal and family minimum resulting from the increases or decreases referred to in article 56.3 of the Personal Income Tax Law.

Average general regional tax rate

Regulations: Art. 74.2 Law IRPFABBR

The average general regional tax rate is understood to be the result of multiplying by 100 the quotient resulting from dividing the rate obtained by applying the corresponding regional scale by the general taxable base. The average general regional tax rate will be expressed with two decimal places without rounding.

For the 2025 tax year, each taxpayer must apply the corresponding regional tax scale from those transcribed below:

Autonomous Community of Andalusia

Regulations: Art. 23 Law 5/2021, of October 20, on Transferred Taxes of the Autonomous Community of Andalusia

Scale applicable in the 2025 tax year for taxpayers resident in this Autonomous Community during that year

Taxable base up to (euros)	Full amount (euros)	Remaining taxable base up to (euros)	Applicable rate (%)
0.00	0.00	13,000.00	9.50%
13,000.00	1,235.00	8.100,00	12.00%
21,100.00	2,207.00	14,100.00	15.00%
35,200.00	4.322,00	24,800.00	18.50%
60,000.00	8,910.00	From there on	22.50%

Autonomous Community of Aragon

Regulations: Art. 110-1 Revised Text of the provisions issued by the Autonomous Community of Aragon on transferred taxes, approved by Legislative Decree 1/2005, of September 26

Scale applicable in the 2025 fiscal year by taxpayers residing in this Autonomous Community during that tax year

Taxable base up to (euros)	Full amount (euros)	Remaining taxable base up to (euros)	Applicable rate (%)
0.00	0.00	13,072.50	9.50
13,072.50	1,241.89	8,137.50	12.00
21,210.00	2,218.39	15,750.00	15.00
36,960.00	4,580.89	15,540.00	18.50
52,500.00	7,455.79	7,500.00	20.50
60,000.00	8,993.29	20,000.00	23.00
80,000.00	13,593.29	10,000.00	24.00
90,000.00	15,993.29	40,000.00	25.00
130,000.00	25,993.29	upwards	25.50

Autonomous Community of the Principality of Asturias

Regulations: Art. 2 Revised Text of the legal provisions of the Principality of Asturias on taxes ceded by the State, approved by Legislative Decree 2/2014, of October 22

Scale applicable in the 2025 tax year for taxpayers resident in this Autonomous Community during that year

Taxable base up to (euros)	Full amount (euros)	Remaining taxable base up to (euros)	Applicable rate (%)
0.00	0.00	12,450.00	9.00
12,450.00	1,120.50	5,257.20	12.00
17,707.20	1,751.36	15,300.00	14.00
33,007.20	3,893.36	20,400.00	19.20
53,407.20	7,810.16	16,592.80	21.50
70,000.00	11,377.62	20,000.00	22.50

Taxable base up to (euros)	Full amount (euros)	Remaining taxable base up to (euros)	Applicable rate (%)
90,000.00	15,877.62	85,000.00	25.00
175,000.00	37,127.62	From there on	26.00

Note: Please note that Article One.One of Law 3/2025 of the Principality of Asturias, of November 19, amending the consolidated text of the legal provisions of the Principality of Asturias regarding Taxes Transferred by the State, approved by Legislative Decree 2/2014, of October 22 (12/0142/0010/17092). (BOPA 2-12-2025) has modified, in the 2025 tax period, the regional scale provided for in article 2 of the aforementioned consolidated text.

Autonomous Community of the Balearic Islands

Regulations: Art. 1 Revised Text of the Legal Provisions of the Autonomous Community of the Balearic Islands on Taxes Transferred by the State, approved by Legislative Decree 1/2014, of June 6

Scale applicable in the 2025 tax year for taxpayers resident in this Autonomous Community during that year

Taxable base from (euros)	Full amount (euros)	Remaining taxable base up to (euros)	Applicable rate (%)
0.00	0.00	10,000	9
10,000	900	8,000	11.25
18,000	1,800	12,000	14.25
30,000	3,510	18,000	17.5
48,000	6.660	22,000	19
70,000	10,840	20,000	21.75
90,000	15.190	30,000	22.75
120,000	22.015	55,000	23.75
175,000	35,077.50	From there on	24.75

Autonomous Community of the Canary Islands

Regulations: Art. 18 bis Consolidated Text of the current legal provisions issued by the Autonomous Community of the Canary Islands on transferred taxes, approved by Legislative Decree 1/2009, of April 21

Scale applicable in the 2025 tax year for taxpayers resident in this Autonomous Community during that year

Taxable base from (euros)	Full amount (euros)	Remaining taxable base up to (euros)	Applicable rate (%)
0.00	0.00	13,748	9.00
13,748	1,237.32	5,674	11.50
19,422	1,889.83	16,502	14.00
35,924	4,200.11	21,642	18.50
57,566	8,203.88	35,702	23.50
93.268	16,593.85	30,477	25.00
123,745	24,213.10	From there on	26.00

Note: Please note that the eleventh Final Provision of Law 9/2025, of December 23, on the General Budgets of the Autonomous Community of the Canary Islands for the year 2026 (BOC 29-12-2025 – BOE XX-01-2026) has modified, for the tax period 2025, the regional scale provided for in article 18 bis of Legislative Decree 1/2009, of April 21.

Autonomous Community of Cantabria

Regulations: Art. 1 Revised Text of the Law on Fiscal Measures in the Matter of Taxes Transferred by the State, approved by Legislative Decree 62/2008, of June 19

Scale applicable in the 2025 tax year for taxpayers resident in this Autonomous Community during that year

Taxable base (euros)	Full amount (euros)	Remainder of liquidable base (euros)	Applicable rate (%)
0.00	0.00	13,000	8.50
13,000	1.105	8.000	11.00
21,000	1985	14,200	14.50
35,200	4.044	24,800	18.00
60,000	8.508	30,000.00	22.50
90,000	15.258	From there on	24.50

Autonomous Community of Castilla-La Mancha

Regulations: Art. 13 bis Law 8/2013, of November 21, of the Autonomous Community of Castilla-La Mancha, on Tax Measures

Scale applicable in the 2025 tax year for taxpayers resident in this Autonomous Community during that year

Taxable base up to (euros)	Full amount (euros)	Remaining taxable base up to (euros)	Applicable rate (%)
0.00	0.00	12,450.00	9.50
12,450.00	1,182.75	7,750.00	12.00
20,200.00	2,112.75	15,000.00	15.00
35,200.00	4,362.75	24,800.00	18.50
60,000.00	8,950.75	From there on	22.50

Community of Castilla y León

Regulations: Art. 1 Revised Text of the legal provisions of the Community of Castile and Leon on own and transferred taxes, approved by Legislative Decree 1/2013, of September 12

Scale applicable in the 2025 tax year for taxpayers resident in this Autonomous Community during that year

Taxable base up to (euros)	Full amount (euros)	Remaining taxable base up to (euros)	Applicable rate (%)
0.00	0.00	12,450.00	9
12,450.00	1,120.50	7,750.00	12.00
20,200.00	2.050,50	15,000.00	14.00
35,200.00	4.150,50	18,207.20	18.50
53,407.20	7,518.83	From there on	21.50

Autonomous Community of Catalonia

Regulations: Art. 611-1 Legislative Decree 1/2024, of March 12, approving the sixth book of the tax code of Catalonia, which includes the consolidated text of the legal provisions in force in Catalonia regarding transferred taxes.

Scale applicable in the 2025 tax year for taxpayers resident in this Autonomous Community during that year

Taxable base up to (euros)	Full amount (euros)	Remaining taxable base up to (euros)	Applicable rate (%)
0.00	0.00	12,500.00	9.50
12,500.00	1,187.50	9,500.00	12.50
22,000.00	2,375.00	11,000.00	16.00
33,000.00	4,135.00	20,000.00	19.00
53,000.00	7,935.00	37,000.00	21.50
90,000.00	15,890.00	30,000.00	23.50
120,000.00	22,940.00	55,000.00	24.50
175,000.00	36,415.00	From there on	25.50

Autonomous Community of Extremadura

Regulations: Art. 1 Revised Text of the legal provisions of the Autonomous Community of Extremadura on taxes transferred by the State, approved by Legislative Decree 1/2018, of April 10

Scale applicable in the 2025 tax year for taxpayers resident in this Autonomous Community during that year

Taxable base up to (euros)	Full amount (euros)	Remaining taxable base up to (euros)	Applicable rate (%)
0	0	12,450.00	8
12,450.00	996.00	7,750.00	10
20,200.00	1,771.00	4,000.00	16
24,200.00	2,411.00	11,000.00	17.5
35,200.00	4.336,00	24,800.00	21

Taxable base up to (euros)	Full amount (euros)	Remaining taxable base up to (euros)	Applicable rate (%)
60,000.00	9,544.00	20,200.00	23.50
80,200.00	14,291.00	19,000.00	24.00
99,200.00	18,851.00	21,000.00	24.50
120,200.00	23,996.00	Onwards.	25.00

Autonomous Community of Galicia

Regulations: Art. 4 Revised Text of the legal provisions of the Autonomous Community of Galicia on taxes transferred by the State, approved by Legislative Decree 1/2011, of July 28

Scale applicable in the 2025 tax year for taxpayers resident in this Autonomous Community during that year

Taxable base up to (euros)	Full amount (euros)	Remaining taxable base up to (euros)	Applicable rate (%)
0.00	0.00	12,985.35	9.00
12,985.35	1,168.68	8,083.25	11.65
21,068.60	2,110.38	14,131.40	14.90
35,200.00	4,215.96	24,800.00	18.40
60,000.00	8,779.16	From there on	22.50

Community of Madrid

Regulations: Art. 1 Revised Text of the legal provisions of the Community of Madrid on taxes transferred by the State, approved by Legislative Decree 1/2010, of October 21

Scale applicable in the 2025 tax year for taxpayers resident in this Autonomous Community during that year

Taxable base up to (euros)	Full amount (euros)	Remaining taxable base (euros)	Applicable rate (%)
0	0	13,362.22	8.50%

Taxable base up to (euros)	Full amount (euros)	Remaining taxable base (euros)	Applicable rate (%)
13,362.22	1,135.79	5,642.41	10.70%
19,004.63	1,739.53	16,421.05	12.80%
35,425.68	3,841.42	21,894.72	17.40%
57,320.40	7,651.10	From there on	20.50%

Autonomous Community of the Murcia Region

Regulations: Art. 2 Consolidated text of the Legal Provisions in force in the Region of Murcia on Transferred Taxes, approved by Legislative Decree 1/2010, of November 5

Scale applicable in the 2025 fiscal year by taxpayers residing in this Autonomous Community during that tax year

Taxable base up to (euros)	Full amount (euros)	Remaining taxable base up to (euros)	Applicable rate (%)
0	0	12,450.00	9.50
12,450.00	1,182.75	7,750.00	11.20
20,200.00	2,050.75	13,800.00	13.30
34,000.00	3,886.15	26,000.00	17.90
60,000.00	8,540.15	Onwards.	22.50

Autonomous Community of La Rioja

Regulations: Art. 31 Law 10/2017, of October 27, consolidating the legal provisions of the Autonomous Community of La Rioja regarding own taxes and transferred taxes

Scale applicable in the 2025 tax year for taxpayers resident in this Autonomous Community during that year

Taxable base up to (euros)	Full amount (euros)	Remaining taxable base up to (euros)	Applicable percentage type
0.00	0.00	12,450.00	8.00
12,450.00	996.00	7,750.00	10.60

Taxable base up to (euros)	Full amount (euros)	Remaining taxable base up to (euros)	Applicable percentage type
20,200.00	1,817.50	15,000.00	13.60
35,200.00	3,857.50	4,800.00	17.80
40,000	4,711.90	10,000	18.30
50,000.00	6,541.90	10,000.00	19.00
60,000.00	8,441.90	60,000.00	24.50
120,000.00	23,141.90	From there on	27.00

Note: Please note that Article 1.One of Law 13/2023, of December 28, on Fiscal and Administrative Measures for the year 2024 (BOR 30-12-2023 – BOE 31-01-2024) has modified, in the 2024 tax period, the autonomous scale provided for in Article 31 of Law 10/2017, of October 27.

Community of Valencia

Regulations: Art. 2 Law 13/1997, of December 23, regulating the autonomous section of the Personal Income Tax and other transferred taxes

Scale applicable in the 2025 tax year for taxpayers resident in this Autonomous Community during that year

Taxable base up to (euros)	Full amount (euros)	Remaining taxable base up to (euros)	Applicable rate (%)
0	0	12,000	9.00
12,000	1,080.00	10,000	12.00
22,000	2,280.00	10,000	15.00
32,000	3,780.00	10,000	17.50
42,000	5,530.00	10,000	20.00
52,000	7,530.00	10,000	22.50
62,000	9,780.00	10,000	25.00
72,000	12,280.00	28,000	26.50
100,000	19,700.00	50,000	27.50

Taxable base up to (euros)	Full amount (euros)	Remaining taxable base up to (euros)	Applicable rate (%)
150,000	33,450.00	50,000	28.50
200,000	47,700.00	From there on	29.50.

Specialty: Autonomous scale for taxpayers residing in Ceuta or Melilla

Regulations: Thirty-second Additional Provision of the Law IRPFABBR

For taxpayers who have their habitual residence in Ceuta or Melilla, the scale provided for in article 65 of the Personal Income Tax Law applies. This scale is as follows:

Ceuta and Melilla. Scale applicable in the 2025 tax year for taxpayers residing in these Autonomous Cities during that year

Taxable base up to (euros)	Full amount (euros)	Remaining taxable base up to (euros)	Applicable rate (%)
0.00	0.00	12,450.00	9.50
12,450.00	1,182.75	7,750.00	12.00
20,200.00	2,112.75	15,000.00	15.00
35,200.00	4,362.75	24,800.00	18.50
60,000.00	8,950.75	From there on	22.50

Taxation of the taxable base of savings

State lien

Regulations: Art. 66.1 LawIRPFABBR

1. By 2025, the taxable base of savings will be taxed at the rates shown in the following scale:

Taxable base up to (euros)	Increase in the total state fee (euros)	Remaining taxable base of savings up to (euros)	Applicable rate (%)
0	0	6,000	9.50

Taxable base up to (euros)	Increase in the total state fee (euros)	Remaining taxable base of savings up to (euros)	Applicable rate (%)
6,000.00	570	44,000	10.50
50,000.00	5,190	150,000	11.50
200,000.00	22,440	100,000	13.50
300,000.00	35,940	From there on	15.00

2. The resulting amount will be reduced by the amount derived from applying the previous scale to the portion of the taxable savings base corresponding to the personal and family minimum.

Autonomous tax

Regulations: Article 76 of the Law IRPFABBR

- By 2025, the taxable base of savings will be taxed at the rates shown in the following scale.

Taxable base up to (euros)	Increase in the total state fee (euros)	Remaining taxable base of savings up to (euros)	Applicable rate (%)
0	0	6,000	9.50
6,000.00	570	44,000	10.50
50,000.00	5,190	150,000	11.50
200,000.00	22,440	100,000	13.50
300,000	35,940	From there on	15

- The resulting amount will be reduced by the amount derived from applying the previous scale to the part of the taxable savings base corresponding to the personal and family minimum resulting from the increases or decreases referred to in article 56.3 of this Law.

Practical example: calculation of full state and regional contributions

Mr. ABC, resident in the Autonomous Community of Aragon, obtained in the 2025 taxable general base of 23,900 euros and a taxable savings base of 2,800 euros.

The amount of your personal and family minimum amounts to 5,550 euros.

Determine the amount of the full state and regional contributions corresponding to said taxpayer.

Solution:

1. Application of tax scales to the general taxable base (23,900)

a. General scale of IRPFABBR

Up to 20,200 = 2,112.75

Other: 3,700 at 15% = 555

Resulting Odds 1 $(2,112.75 + 555) = 2,667.75$

b. Autonomous scale of IRPFABBR

Up to 21,210 = 2,218.39

Other: 2,690 at 15.00% = 403.5

Resulting quota 2 $= 2,218.39 + 403.5 = 2,621.89$

2. Application of the tax scales to the general taxable base corresponding to the personal and family minimum

Given that the amount of the general taxable base (23,900) is higher than the personal and family minimum (5,550), this is entirely part of the general taxable base

a. General scale of IRPFABBR

5,550 at 9.50% = 527.25

Resulting Odds 3 = 527.25

b. Autonomous scale of IRPFABBR

5,550 at 9.50% = 527.25

Resulting Odds 4 = 527.25

3. Determination of the full general, state and regional quota

Full state general fee (Fee 1 - Fee 3): $2,667.75 - 527.25 = 2,140.50$

Full regional general quota (Quota 2 - Quota 4): $2,621.89 - 527.25 = 2,094.64$

4. Lien on the liquidated base of savings (2,800)

State tax $2,800 \times 9.50\% = 266$

Regional tax $2,800 \times 9.50\% = 266$

5. Determination of full quotas

Full state fee $(2,140.50 + 266) = 2,406.50$

Total regional quota $(2,094.64 + 266) = 2,360.64$

Tax applicable to personal income tax taxpayers residing abroad

Delimitation

Regulations: Articles 8.2 and 10.1 Law IRPFABBR

The determination of the total tax liability for Spanish nationals who, being considered personal income tax (IRPF) taxpayers, reside abroad, presents certain special features compared to the settlement procedure discussed so far, due to the fact that, since they cannot be considered residents in the territory of any Autonomous Community, these lack regulatory competence over the IRPFABBR applicable to them.

Individuals of Spanish nationality, their legally married spouses, and minor children who, under the terms established in articles 8.2 and 10.1 of the Income Tax Law, are subject to Personal Income Tax (IRPF) and reside abroad. IRPFABBR, have their habitual residence abroad, by virtue of their status as:

- Members of Spanish diplomatic missions.
- Members of Spanish consular offices, with the exception of honorary vice-consuls or honorary consular agents and their dependent staff.
- Holders of official positions or employment in the Spanish State as members of delegations and permanent representations accredited to international organisations or who form part of delegations or observer missions abroad.
- Active civil servants holding official posts or employment abroad which is not diplomatic or consular.
- Those who prove their new tax residence in a country or territory considered a tax haven, during the tax period in which the change of residence is made and the following four.

The special features presented by the determination of the full rate of IRPF for these taxpayers are those indicated in the following sections.

Taxation of the general taxable base

Regulations: Articles 63.1 and 65 Law IRPFABBR

The general taxable base will be subject to taxation applying the following scales:

Scale of Article 63.1 Law IRPFABBR

Taxable base up to (euros)	Full amount (euros)	Remaining taxable base up to (euros)	Applicable rate (%)
0.00	0.00	12,450.00	9.50
12,450.00	1,182.75	7,750.00	12.00
20,200.00	2,112.75	15,000.00	15.00
35,200.00	4,362.75	24,800.00	18.50
60,000.00	8,950.75	240,000.00	22.50
300,000.00	62,950.75	From there on	24.50

Scale of Article 65 of the Law IRPFABBR

Taxable base up to (euros)	Full amount (euros)	Remaining taxable base up to (euros)	Applicable rate (%)
0.00	0.00	12,450.00	9.50
12,450.00	1,182.75	7,750.00	12.00
20,200.00	2,112.75	15,000.00	15.00
35,200.00	4,362.75	24,800.00	18.50
60,000.00	8,950.75	From there on	22.50

Taxation of the taxable base of savings

Regulations: Articles 66.2 Law IRPFABBR

The rates indicated in the following scale will be applied to the taxable savings base:

Taxable base up to (euros)	Increase in the total state fee (euros)	Remaining taxable base of savings up to (euros)	Applicable rate (%)
0	0	6,000	19
6,000.00	1,140	44,000	21

Taxable base up to (euros)	Increase in the total state fee (euros)	Remaining taxable base of savings up to (euros)	Applicable rate (%)
50,000.00	10,380	150,000	23
200,000.00	44,880	100,000.00	27
300,000.00	71,880	From there on	30

The resulting amount will be reduced by the amount derived from applying the previous scale to the portion of the taxable savings base corresponding to the personal and family minimum.

Note: The remainder of the personal and family minimum not applied to the general taxable base does not reduce the savings taxable base, but rather the state and regional scales are applied to its amount and the resulting rate reduces the amount obtained by applying the aforementioned scales to the entire savings taxable base, in a manner equivalent to how it operates in the general taxable base.

Special scheme applicable to employees posted to Spanish territory

Regulations: Art. 93.2.e) Law IRPFABBR

Attention : Please note that the [special tax regime applicable to workers posted to Spanish territory](#)It is discussed in Chapter 2.

Individuals who acquire tax residence in Spain as a result of moving to Spanish territory and who choose to be taxed under the Non-Resident Income Tax, with the special rules in article 93.2 of the Law of IRPFABBR, maintaining the status of taxpayers for Personal Income Tax during the tax period in which the change of residence takes place and during the following five tax periods, the following scales will apply to them:

1. The taxable base, except for the part thereof corresponding to the income referred to in article 25.1.f) of the consolidated text of the Non-Resident Income Tax Law (dividends and other income derived from participation in the equity of an entity, interest and other income obtained from the transfer of equity to third parties, and capital gains that are revealed on the occasion of transfers of assets), will be subject to the rates indicated in the following scale:

Taxable base up to (euros)	Applicable rate (%)
Up to 600,000	24

Taxable base up to (euros)	Applicable rate (%)
From 600,000.01 euros onwards	47

2. The rates indicated in the following scale will be applied to the part of the taxable base corresponding to the income referred to in article 25.1.f) of the consolidated text of the Non-Resident Income Tax Law (dividends and other income derived from participation in the equity of an entity, interest and other income obtained from the transfer of equity to third parties, and capital gains that are revealed on the occasion of transfers of assets):

Taxable base up to (euros)	Increase in the total state fee (euros)	Remaining taxable base of savings up to (euros)	Applicable rate (%)
0	0	6,000	19
6,000.00	1,140	44,000	21
50,000.00	10,380	150,000	23
200,000.00	44,880	100,000.00	27
300,000.00	71,880	From there on	30

Specialties in determining the full state and regional quota

Annuities for alimony for children

Specialty in the treatment of annuities for alimony in favor of children

Regulations: Articles Law 64 and 75 IRPFABBR

Alimony payments established in favor of the children and paid by the taxpayer **they do not reduce** the general taxable base of the payer, but they are taken into account to calculate their full state and regional tax liability. IRPFABBR through the special provisions established, respectively, by Articles 64 and 75 of the Law of IRPFABBR, whose purpose is to reduce the progressivity of the tax in these cases.

For children who receive such alimony payments, these constitute [exempt income](#) in accordance with Article 7 of the Law of IRPFABBR.

On the other hand, remember that, in the case of [compensatory pensions and alimony payments in favor of persons other than children](#), the payer may apply the reductions to the taxable base established in Article 55 of the Law of IRPFABBR which is discussed in Chapter 13 of this Manual.

For this purpose, taxpayers who pay alimony to their children in the 2025 fiscal year by judicial decision (or established through a regulatory agreement decreed judicially or formalized before the Judicial Secretary or in a public deed before a Notary) without the right to the application of [minimum per descendants](#) provided for in article 58 of the Law of IRPFABBR. When the amount of the annual payments is less than the general taxable base, the corresponding fees for the general taxable base (state part and regional part) will be determined according to the following procedure:

1. The amount of the annual maintenance payments will be differentiated from the rest of the general taxable base, thus obtaining two bases for the application of the tax scales:
 - Base "A": amount of the annual food allowance.
 - Base "B": remainder of the general taxable base.
2. Each of the aforementioned bases will be subject to, in the state part, the general tax scale for 2025 and, in the regional part, the corresponding regional scale. As a result of this application, a quota of 1 and a quota of 2 are obtained for base "A", and a quota of 3 and a quota of 4 are obtained for base "B".
3. The quotas obtained in the previous phase will be added together to determine the general state quota and the general regional quota. This sum is as follows:
 - General state quota (quota 5) = quota 1 + quota 3
 - General regional quota (quota 6) = quota 2 + quota 4
4. Application of the general and regional tax scales to the part of the general taxable base corresponding to the personal and family minimum increased by 1,980 euros per year. As a result of this operation, quota 7 (general state quota) and quota 8 (regional quota) are obtained.
5. Reduction of the quotas 5 and 6 determined in step 3 above by the amount of quotas 7 and 8, without any negative results as a result of said reduction.
 - General state quota = quota 5 – quota 7.
 - General regional quota = quota 6 – quota 8.

Clarifications

- **Who applies the special requirements in determining the full state and regional share for the payment of annual child support payments?**

The parent or parents **who have custody of the children**. The minimum allowance for descendants may be applied for the descendants who live with them. **live together**, and **they will not be able to apply** the special provisions applicable in cases of alimony payments for children set out in articles 64 and 75 of the Law of IRPFABBR. In the event that the custody of a child is terminated upon reaching the age of majority, the above will apply as long as the parent taxpayer in question continues to live with the child.

On the other hand, the **parent who pays annual maintenance payments to children** under the terms provided for in article 7. k) of the Personal Income Tax Law **and who has not been assigned the custody** of these, not even in a shared manner, **will apply the regime provided for the annuities for food, but not the minimum for descendants**. Therefore, the economic dependency that payment of these entails cannot be considered cohabitation for the purposes of applying the minimum for descendants. See in this regard the TEAC resolutions of May 29, 2023 (claims numbers 00/08646/2022/00/00 and 00/10590/2022), issued in an extraordinary appeal for unification of criteria.

In short, the regime provided for in articles 64 and 75 of the Personal Income Tax Law is only applicable to parents who, while paying annual maintenance payments to their children by court decision, do not live with them in any way. Unlike these, parents who have sole or shared custody will have the right to have the minimum amount for descendants applied to their children.

- **Where should the annual alimony payments for children be established?**

As of the modifications introduced by Law 15/2015, of July 2, on Voluntary Jurisdiction, the regime established in articles 64 and 75 of the Personal Income Tax Law for alimony payments in favor of children made by judicial decision, is extended to those agreed in the regulatory agreement formulated by the spouses before the Judicial Secretary or in a public deed before a Notary, referred to in article 90 of the Civil Code, whether or not their inclusion is mandatory.

- **What is the date from which payments made in the form of annual child support payments have an impact on personal income tax?**

According to the provisions of article 89 of the Civil Code, "The effects of the dissolution of marriage by divorce will occur from the finality of the sentence or decree that so declares or from the manifestation of the consent of both spouses granted in a public deed in accordance with the provisions of article 87."

Therefore, for the purposes of applying the special regime applicable in cases of annual maintenance payments for children provided for in articles 64 and 75 of the Personal Income Tax Law, only the amounts paid for this concept since the finality of the court judgment or decree, or since the granting of a public deed declaring the divorce, must be taken into account.

- **How is the amount of child support payments to which the specialty regime applies calculated?**

For the calculation of alimony payments for children to which the special regime of articles 64 and 75 of the Law applies IRPFABBR the following will be taken into account **monetary amount that has actually been paid** as an annual allowance for alimony, taking into account the provisions of Article 142 of the Civil Code, which states the following:

"Food is understood to be everything that is essential for sustenance, housing, clothing and medical care."

Maintenance also includes the education and instruction of the person receiving support while he or she is a minor and even afterwards, when he or she has not completed his or her education for reasons not attributable to him or her.

Food will include pregnancy and childbirth expenses, unless otherwise covered."

Please note that the update of the amount of the annual food allowances in accordance with the CPI **will be declared in the tax period in which said update is satisfied.**

Note: taxpayers who pay alimony annuities to their children as provided for in Article 7 of the Law of IRPFABBR They will apply the general tax scale separately to alimony payments from the rest of the general taxable base, but not the minimum for dependents. See in this regard the TEAC Resolutions of May 29, 2023, Claims numbers 00/08646/2022/00/00 and 00/10590/2022, both issued in an extraordinary appeal for unification of criteria.

Example: Annuities for alimony for children

Mr. LDZ, resident in the Valencian Community, obtained a general taxable base of 63,000 euros in the 2025 tax year. During that year, he paid annual maintenance payments to his children amounting to 12,000 euros, as provided for in the divorce settlement agreement approved by the court.

Likewise, the taxable base of the savings of said taxpayer amounts to 5,000 euros.

Determine the full fees for 2025 knowing that the amount of your personal and family allowance is 5,550 euros.

Solution:

Having paid annual allowances to his children during the year by court order, and the amount of these payments being less than the amount of his general taxable base, the general state scale for 2025 and the regional scale of IRPFABBR They must be applied separately to the amount of the annuities and to the amount of the remainder of the general taxable base.

1. Application of the scales of IRPFABBR to the amount of the annual payments, base "A" (12,000 euros)

a. General scale of IRPFABBR

12,000 at 9.50% = 1,140

Odds 1 = 1,140

b. Regional scale approved for 2025 by the Valencian Community

12,000 at 9% = 1,080

Odds 2 = 1,080

2. Application of the tax scales to the rest of the general taxable base, base "B" (51,000 euros)

a. General scale of IRPFABBR

Up to 35,200 = 4,362.75

Other: 15,800 at 18.50% = 2,923

Odds 3 = 7,285.75

b. Regional scale approved for 2025 by the Valencian Community

Up to 42,000 = 5,530

Other: 9,000 at 20.00% = 1,800

Odds 4 = 7,330

3. Determination of the resulting quotas by applying the scales in both bases

Quota 5 = quota 1 + quota 3: $(1,140 + 7,285.75) = 8,425.75$

Odds 6 = Odds 2 + Odds 4: $(1,080 + 7,330) = 8,410$

4. Application of the tax scales to the general taxable base corresponding to the personal and family minimum increased by 1,980 euros

a. Overall scale

Since the amount of the general taxable base (63,000) is higher than the personal and family minimum increased by 1,980 euros ($5,550 + 1,980 = 7,530$), this forms part of the general taxable base in its entirety.

7,530 at 9.50% = 715.35

Odds 7 = 715.35

b. Regional scale approved for 2025 by the Valencian Community

In this case, the regional amount of the taxpayer's minimum (set at 6,105 euros) increased by 1,980 euros ($6,105 + 1,980$) determines an amount of 8,085, lower than the general taxable base (63,000), so that said amount forms part of the general taxable base in its entirety.

8.085 at 9% = 727.65

Odds 8 = 727.65

5. Determination of quota differences

General state quota (Quota 5 – Quota 7): $8,425.75 - 715.35 = 7,710.40$

General regional quota (Quota 6 – Quota 8): $8,410 - 727.65 = 7,682.35$

6. Tax on the taxable savings base (5,000)

State tax ($5,000 \times 9.50\%$) = 475

Regional tax ($5,000 \times 9.50\%$) = 475

7. Determination of the full quotas:

Total state quota ($7,710.40 + 475$) = 8,185.40

Total regional quota ($7,682.35 + 475$) = 8,157.35

Exempt income with progression

Delimitation

Regulations: Twentieth Additional Provision of the Law IRPFABBR

Income **exempt with progression is considered to income that, without being subject to taxation, must** taken into account for the purposes of calculating the tax rate applicable to the remaining income of the tax period.

Examples of these types of income include those provided for in the **Conventions to avoid double taxation signed by Spain**.

Exempt income with progression will be added to the general or savings taxable base **depending on the nature of the income, in order to calculate average rate** corresponds to determining the full state and regional tax rate.

The **average tax rate** thus calculated will be applied to **the general or savings taxable base, not including exempt income with progression**.

In certain Conventions to avoid double taxation signed by Spain, it is established that, when the income obtained by a taxpayer is exempt, in accordance with the provisions of the Convention itself, the same must be taken into account for the purposes of calculating the applicable tax rate on the rest of the income obtained by said taxpayer in the year.

Liquidation treatment of exempt income progressively in the General Tax Base

The liquidation treatment of exempt income with progressivity that, according to its nature, forms part of the general tax base is structured in the following phases:

1. The amount of exempt income with progression must be added to the general taxable base and the general tax scale and the one approved by the corresponding Autonomous Community, in the autonomous part, will be applied to the amount resulting from said sum. The result is partial quotas 1 and 2.

2. The general tax scale is successively applied to the amount of the personal and family minimum (provided that it does not exceed the general taxable base or, where applicable, the general taxable base increased with exempt income with progression), thus obtaining partial quota 3 and the autonomous or complementary tax scale, obtaining partial quota 4.
3. The following figures are calculated from the four partial quotas obtained in the previous phases:
 - Resulting share 1 = partial share 1 - partial share 3
 - Resulting share 2 = partial share 2 - partial share 4
4. Based on the resulting quotas 1 and 2 calculated in the previous phase, the average tax rate, both state and regional, is determined. In both cases, the average rate is the result of multiplying by 100 the quotient resulting from dividing the resulting rates 1 and 2 by the base for the application of the tax scale (sum obtained in phase 1).
5. Once these average rates have been obtained, they will be applied exclusively to the general taxable base, without including progressively exempt income. In this way, the full state and regional quota, respectively, corresponding to the general taxable base, will be obtained.

Example

Ms. PCA, resident in the Community of Castilla y León, has obtained in the 2025 taxable general base of 23,900 euros and a taxable savings base of 2,800 euros.

The amount of your personal and family minimum amounts to 5,550 euros. In addition, he has received an income of 2,900 euros in Germany which, pursuant to the Agreement between the Kingdom of Spain and the Federal Republic of Germany to avoid double taxation and prevent tax evasion with respect to income and wealth taxes and its protocol of 3 February 2011, is declared progressively exempt in Spain.

Determine the amount of the full contributions corresponding to said taxpayer.

Solution:

1. Sum of the general taxable base and the amount of exempt income with progression

$$23,900 + 2,900 = 26,800$$

2. Application of the scales of IRPFABBR to the result of the previous sum (26,800)

a. General scale of IRPFABBR

$$\text{Up to } 20,200 = 2,112.75$$

$$\text{Other: } 6,600 \text{ at } 15\% = 990$$

$$\text{Odds 1 } (2,112.75 + 990) = 3,102.75$$

b. Autonomous scale of IRPFABBR

Up to 20,200 = 2,050.50

Other: 6,600 at 14% = 924

Installment 2 (2,050.50 + 924) = 2,974.50

3. Application of the tax scales to the amount of the personal and family minimum**General scale of IRPFABBR**

5,550 at 9.50% = 527.25

Odds 3 = 527.25

Autonomous scale of IRPFABBR

Note: Although the Community of Castilla y León has approved regional amounts for the personal and family allowance, these coincide with the amounts of the taxpayer's allowance, for descendants and ascendants and for disability established in articles 57, 58, 59 and 60 of the Law of IRPFABBR.

5,550 at 9% = 499.50

Installment 4 = 499.50

4. Determination of quota differences:

Resulting quota 1 (quote 1 - quota 3): $3,102.75 - 527.25 = 2,575.50$

Resulting quota 2 (quota 2 - quota 4): $2,974.50 - 499.50 = 2,475$

5. Determination of average tax rates

a. Average State Tax Rate (ASR): $TME = (2,575.50 \div 26,800) \times 100 = 9.61\%$

b. Average regional tax rate (TMA): $TMA = (2,475 \div 26,800) \times 100 = 9.23\%$

6. Determination of the quotas corresponding to the general taxable base (23,900):

State fee: $(23,900 \times 9.61\%) = 2,296.79$

Regional quota: $(23,900 \times 9.23\%) = 2,205.97$

7. Lien on the liquidated base of savings (2,800)**State lien**

$2,800 \times 9.5\% = 266$

Autonomous tax

$2,800 \times 9.5\% = 266$

8. Determination of full quotas

Total state quota $(2,296.79 + 266) = 2,562.79$

Full regional quota $(2,205.97 + 266) = 2,471.97$

Liquidation treatment of progressively exempt income that forms part of the savings tax base

In cases where there is a remainder of the personal and family minimum which, as it cannot be applied to the general taxable base to determine the full contributions, becomes part of the savings taxable base, as well as when the amount of this increased by the amount of exempt income with progressivity exceeds the sum of 6,000 euros, the liquidation treatment of exempt income with progressivity which, according to its nature, forms part of the savings taxable base, is structured in the following phases:

1. The amount of income exempt from progressive taxation must be added to the taxable savings base subject to tax, in order to apply the tax rates of the corresponding state and regional savings scales to its result. The result is partial quotas A and B.
2. If there is a remainder of the personal and family minimum not applied in the general taxable base, the quotas corresponding to said remainder are found by applying the tax rates of the state and regional savings scales. The result is partial quotas C and D.
3. The following figures are calculated from the four partial quotas obtained in the previous phases:
 - Share 1 = partial share A - partial share C.
 - Installment 2 = partial installment B - partial installment D.
4. Based on the 1st and 2nd quotas calculated in the previous phase, the average tax rate, both national and regional, is determined. In both cases, the resulting amount is divided between the sum of the taxable savings base and the exempt income with a progressive integration into the taxable savings base. The quotient thus obtained is multiplied by 100 to determine the average tax rate.
5. Once these average rates have been obtained, they will be applied exclusively to the taxable savings base, without including progressively exempt income. In this way, the full state and regional quota, respectively, corresponding to the taxable savings base, will be obtained.

Note: In those cases where there is no remaining personal and family minimum, if the amount of the taxable base of savings increased by the amount of exempt income with progressivity does not exceed the figure of 6,000 euros, it will not be necessary to carry out the calculations mentioned above.

Example

In the 2025 personal income tax return of Mr. JLM, resident in Aragon, the following amounts relating to the taxable savings base are recorded:

- Savings taxable base: 50,000
- Amount of the personal and family minimum that forms part of the taxable savings base: 4.200

In the 2025 tax year, the taxpayer proceeded to sell an urban property located in the Netherlands, from which he obtained a capital gain of 80,000 euros determined in accordance with the regulations governing Personal Income Tax.

Determine the amount of the state portion and the regional portion of the contributions corresponding to the taxable savings base.

Solution:

In accordance with the provisions of article 25.3 of the Agreement between the Government of the Spanish State and the Government of the Kingdom of the Netherlands for the avoidance of double taxation with respect to taxes on income and on capital and its protocol, done in Madrid on June 16, 1971 (BOE of October 16), the capital gain derived from the transfer of the real estate is exempt from personal income tax, but this income will be taken into account to calculate the personal income tax corresponding to the remaining income to be included in the taxpayer's savings taxable base.

Since there is a remainder of the personal and family minimum that reduces the taxable base of savings to determine the amount of the same that is subject to tax, the progressive exemption of the capital gain derived from the transfer of urban property located in the Netherlands must be taken into account. The calculations to be made for this purpose are as follows:

1. Sum of the taxable savings base and the amount of exempt income with progression

$$50,000 + 80,000 = 130,000$$

2. Application of the IRPF scales to the result of the previous sum (130,000)

State Savings Scale

$$\text{Up to 50,000} = 5,190$$

$$\text{Rest (80,000 at 11.5\%)} = 9,200$$

$$\text{Quota A (5,190 + 9,200)} = 14,390$$

Regional savings scale

$$\text{Up to 50,000} = 5,190$$

$$\text{Rest (80,000 at 11.5\%)} = 9,200$$

$$\text{Share B (5,190 + 9,200)} = 14,390$$

3. Application of the tax scales to the amount of the personal and family minimum

State Savings Scale

4,200 at 9.50% = 399

Share C = 399

Regional savings scale

4,200 at 9.50% = 399

Share D = 399

4. Determination of quota differences

Resulting quota 1 (quota A - quota C): $14,390 - 399 = 13,991$

Resulting quota 2 (quote B - quota D): $14,390 - 399 = 13,991$

5. Determination of average tax rates

a. Average state savings tax rate (TMAE) = $(13,991 \div 130,000) \times 100 = 10.76\%$

b. Average rate of tax on regional savings (TMGAA) = $(13,991 \div 130,000) \times 100 = 10.76\%$

6. Determination of the quotas corresponding to the taxable savings base (50,000):

State savings rate: $(50,000 \times 10.76\%) = 5,380$

Regional savings rate: $(50,000 \times 10.76\%) = 5,380$

Special cases of income concurrence: Annuities for alimony for children and progressively exempt income

The procedure applicable in the event that there are simultaneously annual alimony payments for children and exempt income with progression incorporates the liquidation specialties of each of said income as discussed in the following example.

Example:

Mr. JRF, resident in the Community of Madrid, obtained a general taxable base of 23,900 euros in the 2025 tax year. He has also obtained exempt income with progressivity amounting to 2,950 euros.

During the year, he has paid annual maintenance payments to his children amounting to 2,800 euros, as provided for in the judicially approved divorce settlement agreement.

Determine the full fees corresponding to the 2025 financial year, knowing that the amount of the personal and family allowance amounts to 5,550 euros.

Solution:**1. Determination of the bases for the application of the tax scales**

Having paid annual allowances to his children during the year by court order, and the amount of these payments being less than the amount of his general taxable base, the general and regional tax scales of IRPFABBR They must be applied separately to the amount of the annuities (2,800) and to the amount of the rest of the general taxable base.

This last amount is determined by increasing the general taxable base (23,900 euros) by the amount of exempt income with progression (2,950) and decreasing the result by the amount of the annual alimony paid in the year (2,800). Definitely:

Base "A" = 2,800

Base "B" = $(23,900 + 2,950) - 2,800 = 24,050$

2. Application of the Personal Income Tax scales to the amount of annuities, base "A" (2,800 euros)**General scale of IRPFABBR**

$2,800 \times 9.50\% = 266$

Odds 1 = 266

Autonomous scale of IRPFABBR

$2,800 \times 8.50\% = 238$

Odds 2 = 238

3. Application of the tax scales to the rest of the general taxable base, base "B" (24,050 euros)**General scale of IRPFABBR**

Up to 20,200 = 2,112.75

Other: 3,850 at 15% = 577.50

Odds 3 = 2,690.25

Autonomous scale of IRPFABBR

Until: 19,004.63 = 1,739.53

Other: 5,045.37 at 12.80% = 645.80

Installment 4 = 2,385.33

4. Application of the tax scales to the general taxable base corresponding to the personal and family minimum increased by 1,980 euros

Since the amount of the general taxable base (23,900) is higher than the personal and family minimum increased by 1,980 euros ($5,550 + 1,980 = 7,530$), this forms part of the general taxable base in its entirety.

General scale of IRPFABBR

Given that the amount of the general taxable base (23,900) is higher than the personal and family minimum increased by 1,980 euros ($5,550 + 1,980 = 7,530$), this is entirely part of the general taxable base.

$$7,530 \text{ at } 9.50\% = 715.35$$

$$\text{Odds 5} = 715.35$$

Autonomous scale of IRPFABBR

In this case, the regional amount of the taxpayer's minimum (set at 5,777.55 euros) increased by 1,980 euros ($5,777.55 + 1,980$) determines an amount of 7,757.55 euros, lower than the general taxable base (23,900), therefore which said amount forms part in its entirety of the general taxable base.

$$7,757.55 \text{ at } 8.50\% = 659.39$$

$$\text{Odds 6} = 659.39$$

5. Calculation of the quotas for the purpose of determining the average tax rates

To determine the average tax rates, both state and regional, it is necessary to first calculate the respective state and regional rates. These fees are calculated as follows:

State fee = (fee 1 + fee 3 - fee 5):

$$266 + 2,690.25 - 715.35 = 2,240.90$$

Regional quota = (quota 2 + quota 4 - quota 6):

$$238 + 2,385.33 - 659.39 = 1,963.94$$

6. Determination of average tax rates

a. Average state tax rate TME: $2,240.90 \div 26,850 \times 100 = 8.34\%$

b. Average regional tax rate = AMR = $1,963.94 \div 26,850 \times 100 = 7.31\%$

7. Determination of the general state and regional integral quota

General state total rate (general taxable base x TME) $23,900 \times 8.34\% = 1,993.26$

General regional integral quota: (general taxable base x TMA) $23,900 \times 7.31\% = 1,747.09$

Chapter 16. General deductions from the tax liability in the 2025 tax year

Introduction

General and regional tax deductions applicable in 2025

Regulations: Articles 67 and 77 Law of IRPFABBR

Once the full state and regional quotas have been determined, the next liquidation phase of the IRPFABBR Its purpose is to determine the respective state and regional tax quotas. To do this, the following groups of deductions must be applied to the full amount of contributions:

1. Deduction for investment in main home: Transitional scheme

As of January 1, 2013, the deduction for investment in primary residence was eliminated. However, for those taxpayers who, before that date, had acquired their habitual residence or paid amounts for its construction, extension, rehabilitation or carried out works for reasons of disability in it (with the exception of contributions to housing accounts) and had enjoyed this tax benefit, a transitional regime is established that allows them to continue practicing the deduction under the same conditions in which they were doing so.

For such taxpayers, the amount of the deduction for investment in primary residence will be broken down into two sections: one, state and the other, autonomous.

- **The state section**, the amount of which is calculated in accordance with the provisions of Article 68.1 of the Law of IRPFABBR In the wording in force until December 31, 2012, it will apply **in its entirety to reduce the full state quota**.
- **The regional section**, the amount of which is determined by the provisions of Article 78 of the Law of IRPFABBR In the wording in force until December 31, 2012, it will apply **in its entirety to reduce the full regional quota**.

The percentage to be applied will be either that approved by each of the Autonomous Communities in accordance with Article 46 of Law 22/2009, of December 18, or, failing that, the percentages established in Article 78.2 of the Law of IRPFABBR in the wording in force as of December 31, 2012.

2. Deduction for investment in companies of new or recent creation

Taxpayers may fully deduct from their total state tax liability the amount corresponding to the deduction for investment in newly created or recently established companies regulated by Article 68.1 of the Law on IRPFABBR, when they meet the requirements and conditions demanded to enjoy this new incentive.

3. General deductions from state regulations

The deductions listed below, whose regulation is contained in the Law itself, IRPFABBR (Article 68. 23, 4 and 5) and, in relation to the transitional regime of the deduction for rental of main residence, in the fifteenth transitional provision which refers, in turn, regarding its regulation for taxpayers who are entitled to this transitional regime to the regulations of the Law of IRPFABBR in force as of December 31, 2014, they can be applied, in general, by all taxpayers who meet the legally required conditions to be entitled to them, regardless of the Autonomous Community of common regime in which they have resided during 2025, with the exception of the special provisions arising from the deduction for income obtained in Ceuta or Melilla and, for this 2025 fiscal year, for income obtained by taxpayers with habitual and effective residence on the island of La Palma.

- Deductions for incentives and stimuli to business investment
- Deductions for donations and other contributions
- Deduction for income obtained in Ceuta or Melilla
- Deduction for habitual and effective residence on the island of La Palma (only applicable in the years 2022, 2023, 2024 and 2025)
- Deduction for actions for the protection and dissemination of Spanish Historical Heritage and World Heritage.
- Deduction for rental of the residence. Transitional scheme

The amount of these deductions is distributed as follows:

- **50% of the total amount is applied to reduce the total state quota.**
- **50% of the total amount is applied to reduce the full regional quota.**

4. Deductions for works to improve the energy efficiency of homes

The following deductions are introduced from October 6, 2021 on a temporary basis, applying in 2021, 2022, 2023, 2024 and 2025:

1. Deduction for improvement works that reduce heating and cooling demand.
2. Deduction for improvement works that reduce the consumption of non-renewable primary energy.
3. Deduction for energy rehabilitation works in buildings predominantly used for residential purposes.

5. Deduction for the acquisition of plug-in electric vehicles, fuel cell vehicles and charging points

Effective from June 30, 2023, two new deductions were introduced that will be applicable until December 31, 2025. These deductions are:

1. Deduction for the purchase of new plug-in electric and fuel cell vehicles.
2. Deduction for the installation of charging points for electric vehicles

Note: the amount of the **Deductions for energy efficiency improvement works in homes and for the acquisition of "plug-in" electric vehicles and fuel cell vehicles and charging points** falls on the **full state quotal** after subtracting the amount of the deduction for investment in newly or recently created companies provided for in article 68.1 of the Personal Income Tax Law and 50 percent of the total amount of deductions for incentives and stimuli for business investment, for donations and other contributions, for income obtained in Ceuta or Melilla, by habitual and effective residence on the island of La Palma and for actions for the protection and dissemination of Spanish Historical Heritage and of the cities, sites and properties declared World Heritage sites provided for in sections 2, 3, 4, and 5 of article 68 of the Law of IRPFABBR.

6. Autonomous community deductions

The Autonomous Communities under the common regime, making use of the regulatory powers assumed in relation to the ceded part of IRPFABBR have approved regional tax deductions that can only be applied by taxpayers who, meeting the established requirements to be entitled to them, have resided during the tax year 2025 in their respective territories.

The amount of these deductions is fully applied to reduce the total regional quota.

Note: The application of general and regional deductions may not give rise to a negative net quota. General deductions that cannot be applied due to insufficient state tax rate cannot be deducted from the regional tax rate. Likewise, regional deductions that cannot be applied due to insufficient regional tax rate cannot be deducted from the state tax rate.

Finally, the taxpayer must keep the supporting documents for the deductions made for any verification by the tax authorities, without it being necessary to attach the supporting documents for the deductions made to his/her tax return.

7. Deduction applicable to family units formed by tax residents in Member States of the European Union or the European Economic Area

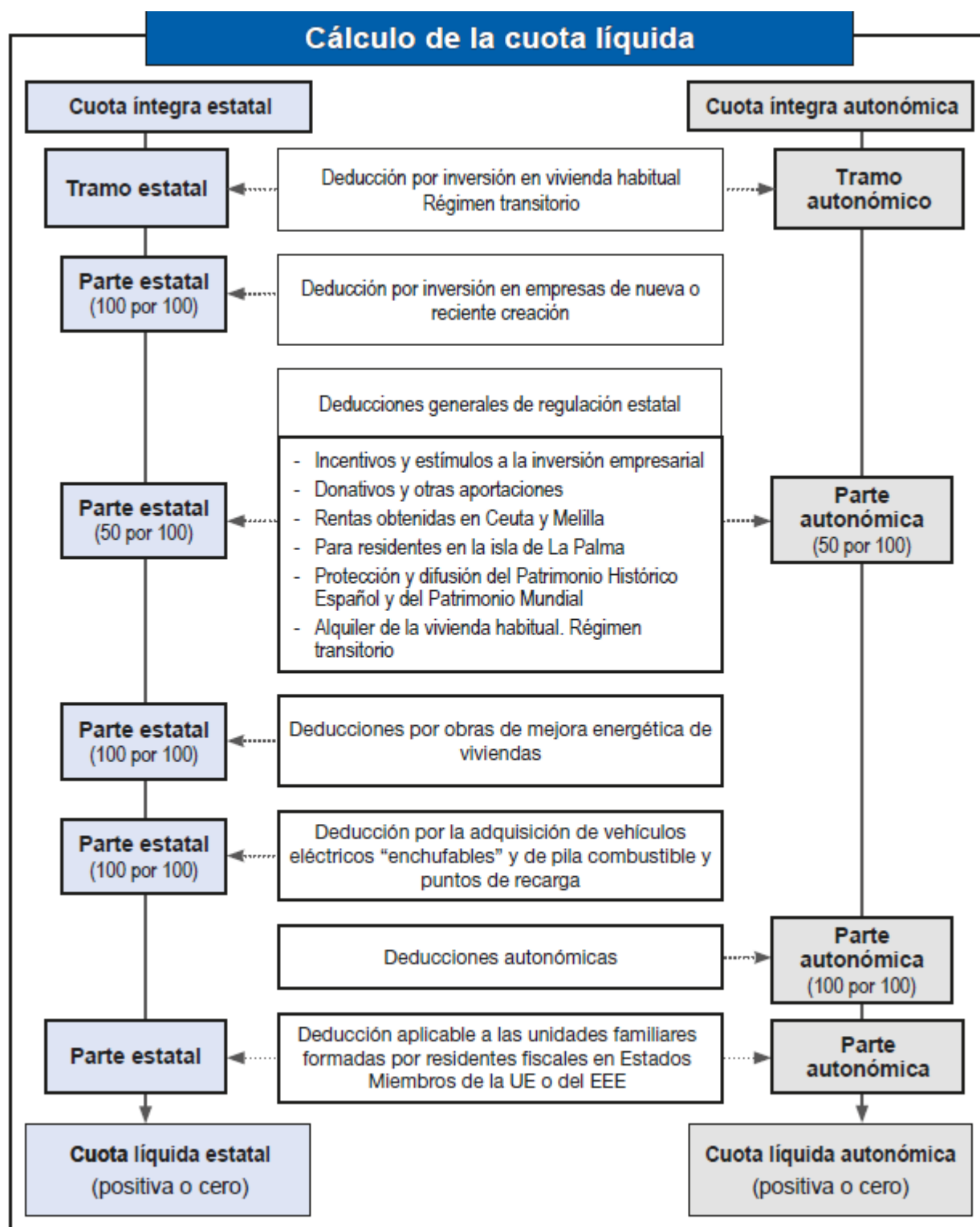
This deduction is introduced, from 1 January 2018, in favor of those taxpayers of IRPFABBR, members of a family unit in which one of its members resides in another Member State of the European Union or the European Economic Area, which prevents them from filing a joint

declaration. This deduction, when more favourable, equates the amount payable by these taxpayers resident in Spain to what they would have been entitled to if all members of the family unit had been tax residents in Spain and had chosen to pay taxes jointly.

The amount of this deduction is not divided 50/50 between the full state and regional tax liability, but rather reduces each of them in the manner established by the forty-eighth Additional Provision of the Law of IRPFABBR and which is discussed in the section referring to said deduction.

Graphic diagram of the application on the amount of the full quotas of the general and autonomous deductions

The following table schematically represents the application of the general and regional deductions referred to in the 2025 financial year:



Deduction for investment in main home: Transitional scheme

The Tax Agency's electronic headquarters includes a " [Virtual Income Assistant](#) ", where you can check whether you are entitled to the deduction, the effects on the deduction due to changes in the use of the home, due to modifications in the mortgage loan that finances the habitual residence, among other cases.

Transitional scheme

Regulations: Eighteenth Transitional Provision of the Law IRPFABBR; Twelfth Transitional Provision of the RegulationsIRPFABBR

Law 16/2012, of December 27, which adopts various tax measures aimed at consolidating public finances and promoting economic activity (BOE of December 28) eliminated, with effect from January 1, 2013, the deduction for investment in habitual residence.

However, for taxpayers who were deducting for their habitual residence prior to January 1, 2013 (except for contributions to housing accounts), the aforementioned Law 16/2012 introduced a transitional regime that allows them to continue enjoying the deduction under the same terms and with the same conditions existing on December 31, 2012.

To whom does the transitional regime apply?

Only the following taxpayers will be entitled to apply the deduction for investment in main residence in 2025 for the amounts paid in the period:

- a. Taxpayers who acquired their main residence before January 1, 2013, or from that date onwards, provided that in the latter case amounts had been paid for its construction before January 1, 2013 and the completion of the works had occurred within the deadlines established by the regulations of IRPFABBR applicable.

Please note that the right to claim the deduction for investment in a primary residence on a specific property is not transferable to any other property.

In any case, it will be necessary for the taxpayer to have applied the deduction in relation to the amounts paid for the acquisition or construction of said dwelling in a tax period accrued prior to January 1, 2013, except in those cases in which the taxpayer could not apply it because the accumulated amount invested in it had not exceeded (as of December 31, 2012) the amounts invested in previous dwellings, to the extent that they had been subject to deduction, and, where applicable, the amount of exempt capital gains due to reinvestment.

Note: the “construction of the habitual residence” modality ceased to be possible in the year 2022 when the four-year period had concluded, plus the extension, where applicable, of another four additional years and adding the 78 days corresponding to the period between March 14 and May 30, 2020 during which the calculation of periods provided for in the ninth Additional Provision of Royal Decree-Law 11/2020 was suspended.

According to the above, the taxpayer must have completed the construction of his or her habitual residence and have legally acquired it before March 20, 2021 to continue to be entitled to the transitional regime of this deduction. However, the right to apply the transitional regime continues with respect to the amounts that the taxpayer continues to pay in relation to the construction or acquisition, when external financing has been used, provided that the requirements of completion on time, occupation and effective and permanent residence are met.

In these cases, taxpayers must include the amounts paid in the year under the category “acquisition and/or construction of the habitual residence” in Annex A.1 of the declaration, indicating the date of the deed of acquisition or new construction of the residence.

- b. Taxpayers who had paid amounts prior to January 1, 2013 for renovation or extension work on their habitual residence, provided that the aforementioned works had been completed before January 1, 2017.
- c. Taxpayers who have paid amounts for the execution of works and installations to adapt the habitual residence of people with disabilities prior to January 1, 2013, provided that the aforementioned works or installations were completed before January 1, 2017.

Attention: The Resolution of the Central Economic-Administrative Court (TEAC) of April 22, 2024, Claim number 00/00765/2023, issued in an extraordinary appeal for the unification of criteria, has established the criteria for the application of the deduction for investment in habitual residence in the years or periods after 2012 by taxpayers who had acquired their habitual residence before January 1, 2013 and who had not practiced or recorded such deduction in any of the years or periods prior to 2013 since they acquired it. As a consequence, those who had not practiced or recorded the deduction before 2013, may apply said deduction in the following cases: ##

- When they have not filed a declaration **because they are not obliged** to do so due to the income obtained.
- When they had not practiced or recorded the deduction before 2013 because they were required to file a tax return based on income and had filed it, **they had not had the full amount** in any of those periods to be able to apply it.

On the other hand, taxpayers who are required to file a tax return based on income and who have filed it, but who have not claimed the deduction before 2013, despite having had full amounts to which it could be applied during some of those periods, will not be

able to apply the deduction for investment in a primary residence.

How the deduction is applied in the transitional regime

The eighteenth transitional provision of the Law of IRPFABBR It maintains, for taxpayers entitled to the transitional regime, the application of the regulations contained in articles 67.1, 68.1, 70.1, 77.1, and 78 of the Law of IRPFABBR in its wording in force as of December 31, 2012, without prejudice to the deduction percentages that, in accordance with the provisions of Law 22/2009, have been approved by the Autonomous Community.

Likewise, the new twelfth transitional provision of the Regulation of IRPFABBR It provides for taxpayers entitled to the transitional regime of the deduction for investment in main residence the application of the provisions of its Chapter I of Title IV, in the wording in force on December 31, 2012.

Obligation to file a declaration

Taxpayers wishing to exercise the right to the deduction for investment in their main residence under the transitional regime will be obliged, in any case, **to file a declaration for the IRPFABBR.**

General conditions and requirements

Principal Residence item

Regulations: Articles 68.1 3 and 4 f) Law IRPFABBR, drafted on 31-12-2012; 54 and 55.2 Regulations IRPFABBR, written on 31-12-2012

For the purposes of this deduction, a habitual residence is understood to be a building that meets the following requirements:

1. That constitutes the taxpayer's residence for a continuous period of at least three years

However, the dwelling will be deemed to have been habitual residence when, despite the three years indicated not having elapsed, the taxpayer dies or other circumstances occur that necessarily require a change of address, such as marriage, marital separation, job transfer, obtaining the first job, change of employment, or other justified similar circumstances.

It will also be understood as a circumstance that necessarily requires a change of residence, the fact that the previous one is unsuitable as a result of the disability of the taxpayer himself or his spouse or a relative, in a direct or collateral line, consanguineous or by affinity, up to the third degree inclusive, who lives with him.

See the comments on this issue that appear when explaining the [concept of habitual residence](#) in Chapter 11 of this Manual within the exemption for transfer of the habitual residence with reinvestment of the amount obtained in another habitual residence.

The three-year period is for the purposes of classifying the home as habitual residence, without it being necessary for said period to have elapsed to begin applying the corresponding deduction in the terms discussed below. However, if once the property has been occupied the three-year residence period is not met, the deductions made would have to be repaid, unless any of the aforementioned situations apply.

Note: For the purposes of tax benefits related to the habitual residence, in cases of acquisition of the property in undivided ownership, if the taxpayer has resided uninterruptedly in the home since its acquisition, to calculate the three-year period to determine whether or not the property is considered a habitual residence, the date on which the undivided share was acquired must be taken into account, without the date on which the remaining share was acquired to complete 100% of the ownership of the common property being of any importance for these purposes. See in this regard the Resolution of the TEAC of September 10, 2015, Claim number 00/06331/2013, filed in an extraordinary appeal for unification of criteria.

2. That the taxpayer inhabits it effectively and permanently, for a period not exceeding twelve months, counted from the date of acquisition or completion of the works.

However, it will be understood that the dwelling does not lose its habitual character, despite not being occupied within the period of twelve months, in the following cases:

- When the taxpayer dies or any other of the circumstances mentioned in number 1 above occur (marriage celebration, marital separation, job ,) that prevent the occupation of the home.
- When the housing is unsuitable due to the disability suffered by the taxpayer, his/her spouse or relatives, in a direct or collateral line, consanguineous or by affinity, up to the third degree inclusive, who live with him/her.
- When the taxpayer enjoys a habitual residence due to position or employment and the acquired residence is not used. In this case, the twelve-month period shall start to run from the date of termination of the relevant post or employment.

When any of the circumstances indicated in this number or the previous one occur, determining the change of address or preventing the occupation of the home, the deduction will be applied until the moment in which said circumstances occur. As an exception, when the taxpayer enjoys a habitual residence due to position or employment, deductions may continue to be made for this concept as long as this circumstance is maintained and the residence is not used.

3. Concepts that are considered habitual residence, for the purposes of the deduction

- **Annexes** or any other element that does not constitute the actual dwelling, such as gardens, parks, swimming pools and sports facilities, **provided that they are acquired together with the dwelling.**
- **Parking spaces purchased jointly with this one, with a maximum of two** . For the purposes of the deduction, parking spaces that meet the following requirements are deemed to be acquired with the home:
 - a. That they are located in the same building or real estate complex and are delivered at the same time.
 - b. That its transmission is carried out in the same act, even if it is in a different document.
 - c. That they are used or are available to be used by the purchaser, that is, that their use is not transferred to third parties.

Adjacent dwellings: possible consideration of main residence and application of the deduction

There is no impediment to considering as a habitual residence two adjoining dwellings joined internally to each other, even if they are not joined in the registry and each one has its respective cadastral reference, provided that they are habitually resided in them. In the case of two adjoining dwellings internally joined into one, if they are permanently inhabited year-round by their owners, for Personal Income Tax (IRPF) purposes, both would constitute a single main residence, which would be excluded from the imputation of real estate income regime established in Article 85 of the IRPF Law. Regarding the application of the deduction for investment in a main residence, to claim it, the transitional regime must be applied, considering each of the two dwellings that make up the current main residence independently. This requires that the deduction was claimed prior to the 2013 tax year for the acquisition of each dwelling (unless it could not have been claimed due to the application of Article 68.1.2 of the IRPF Law). IRPFABBR) and, in turn, having consolidated such deduction, by complying with the requirements established in the aforementioned precept.

Verification of the financial situation: effective deductible investment base

Regulations: Art. 70.1 Law IRPFABBR, written on 31-12-2012

Without prejudice to the existence of maximum deduction bases for the different investment concepts examined below, the effective enjoyment of the deduction for investment in habitual housing is conditional on the verified amount of the taxpayer's assets at the end of the tax period exceeding the value shown by its verification at the beginning of the same by at least the amount of the investments made, without taking into account the interest and other financing costs.

The purpose of checking the financial situation is to ensure that investments in habitual residence and in new or recently created companies with the right to deduction are made with the income generated in the period, avoiding deductions being made with respect to amounts that correspond to income generated in previous periods.

The comparison of the assets at the end and at the beginning of the tax period will be carried out based on the acquisition value of all the assets and rights that make up the taxpayer's assets, including those exempt from the Wealth Tax, **without taking into account, therefore, the changes in value experienced during the tax period by the assets that at the end of the same continue to form part of the taxpayer's assets.**

In this regard, please take into account the Resolution of TEAC no.. 00/02995/2025, of October 20, 2025, for the resolution of the extraordinary appeal for the unification of criteria, which specifies that the amount obtained from the sale of the main residence intended to cancel the mortgage loan that encumbered it can be included in the deduction base, provided that the requirements provided for in the eighteenth transitional provision of Law 35/2006 and the net asset increase required in article 70 of the Personal Income Tax Law are met.

Notwithstanding the foregoing, **in the case of rehabilitation or extension of the habitual residence**, the investments made in the year will be valued in the final assets independently of the residence.

Similarly, **in the case of works and installations to adapt the habitual residence for reasons of disability**, the amounts paid to cover these works must be included in the valuation of the final assets of the tax period, both in the event that the latter are considered an investment (those carried out on the taxpayer's habitual residence) and as expenses (those carried out on the residence rented or subleased by the taxpayer).

In the event that the increase in assets at the end of the tax period is less than the amount invested or the amount of the adaptation works and installations carried out for reasons of disability, without including within these the interest and other financing costs, the deduction for investment in housing or for adaptation works and installations thereof may only be made on the amount by which the taxpayer's assets have increased, increased by the interest and other financing costs paid.

Example

Mr. AGE acquired his habitual residence on 30 November 2006 for a total price of 150,000 euros. This property was partly financed with a mortgage loan of 120,000 euros.

In fiscal year 2025, Mr. AGE has invested 9,000 euros in his habitual residence, of which 1,000 euros correspond to interest on the loan and the rest to repayment of the principal.

The taxpayer's assets, as of January 1, 2025, consisted of the home; shares in an investment fund valued at 55,200 euros; a bank account of 5,700 euros and a car acquired in 2024 for an amount of 25,242 euros and whose current valuation is estimated at 21,035 euros. The amount of the outstanding loan at that date was 95,000 euros.

The assets, as of December 31, 2025, consist of the house, the investment funds whose net asset value on that date amounts to 52,200 euros; 3,000 euros in the bank account and the car, whose value at that date is estimated at 15,625 euros.

In 2025 he obtains employment income amounting to 54,000 euros.

Determine whether the requirement of proven increase in assets in the amount of the investment is met.

Solution:

a. Final equity (31-12-2025) = 66,000

- Housing (150,000 – 87,000) = 63,000
- Bank account: =3,000

b. Initial equity (01-01-2025) = 60,700

- Housing (150,000 – 95,000) = 55,000
- Bank account = 5,700

Increase in assets = 5,300

Investment made in 2025 = 9,000

Effective deductible investment base (increase in assets without taking into account interest and other financing costs) = 5,300

Note to example:

To the effective deductible investment base (5,300 euros) must be added the loan interest (1,000 euros) and the result (6,300 euros) will be the amount of the deduction base that corresponds to the taxpayer in the 2025 tax year.

It should also be noted that the solution to the example does not take into account the car or the investment funds, since they continue to form part of the taxpayer's assets at the end of the tax period.

Deduction modalities

The eighteenth transitional provision of the Law of IRPFABBR It maintains three of the four types of deductions for investment in housing that were regulated until 2012 by article 68.1 of the aforementioned Law, which are:

Acquisition, construction, rehabilitation and expansion of the habitual residence

Regulations: Articles 68.1 and 78.2 Law IRPFABBR, drafted on 31-12-2012; 55 Regulation IRPFABBR, written on 31-12-2012

Who is entitled to this deduction?

Taxpayers who meet the following requirements will be entitled to apply the deduction regime for investment in main residence for the amounts paid in the 2025 tax year:

- a. If it concerns the acquisition of a primary residence, when the property was legally acquired before or after January 1, 2013, provided that in the latter case amounts were paid for its construction before January 1, 2013 and ending the works would have occurred within the deadlines set by the regulations of IRPFABBR applicable adding, where appropriate, the suspension period established by the Ninth Additional Provision of Royal Decree-Law 11/2020.
- b. In the case of renovation work on a habitual residence, when amounts have been paid for this purpose prior to 1 January 2013, provided that the works were completed before 1 January 2017.

- c. Taxpayers who had paid amounts prior to January 1, 2013 for works to extend their habitual residence, provided that the aforementioned works had been completed before January 1, 2017.

In any case, it is necessary that the taxpayer has applied the deduction for investment in habitual residence in relation to the amounts paid for the acquisition, construction, rehabilitation or extension of said residence in a tax period accrued prior to January 1, 2013, unless it could not have been applied because it did not exceed the amounts invested in previous residences, to the extent that they would have been subject to deduction by integrating effective deduction bases, plus, where applicable, the amount of exempt capital gains due to reinvestment.

Furthermore, as a result of the Resolution of the Central Economic-Administrative Court (TEAC), dated April 22, 2024, Claim number 00/00765/2023, filed in an extraordinary appeal for the unification of criteria, **those who had not practiced or recorded the deduction before 2013, may apply the aforementioned deduction in the following cases:**

- When they have not filed a declaration because they are not required to do so due to the income obtained.
- When they had not practiced or recorded the deduction before 2013 because they were required to file a tax return based on income and had filed it, but they did not have the full amount to apply it in any of those periods.

On the other hand, taxpayers who are required to file a tax return based on income and who have filed it, but who have not claimed the deduction before 2013, despite having had full amounts to which it could be applied during some of those periods, will not be able to apply the deduction for investment in a primary residence.

Note: disappearance of the construction modality in 2022 and application of the transitional regime.

Article 55 of the Regulations of IRPFABBR In the wording in force on December 31, 2012, it assimilated the "construction" of the main residence to the acquisition of the main residence in cases where the taxpayer had directly paid the expenses derived from the execution of the works, or had paid amounts on account to the promoter of those works, provided that the works were completed within a period not exceeding four years from the start of the investment or, in the exceptional cases provided for in sections 3 and 4 of the aforementioned article 55 of the Regulation, an extension of said period was granted which could not exceed, in any case, another four years.

As a result of the above, the application of the transitional regime of the deduction in the form of "construction of the habitual residence" required:

1. That the taxpayer had claimed the deduction for investment in a main residence in relation to the amounts paid for the construction of said residence in a tax period accrued prior to 1 January 2013 (unless the provisions of article 68.1.2 of the Law had been applicable) IRPFABBR in its wording in force as of December 31, 2012) and

2. That the aforementioned works, computed within the 4-year period, had been completed, in any case , before January 1, 2017 or, in the case of an extension, at most until March 19, 2021, also producing the legal acquisition of the home.

Precision: For the purposes of calculating the four-year period in the case of an extension of the deadline for completion of the works and legal acquisition of the home under the terms indicated, the period from March 14 to May 30 has not been taken into account, pursuant to the provisions of the Ninth Additional Provision of Royal Decree-Law 11/2020, of March 31, by which urgent complementary measures are adopted in the social and economic field to face Covid-19 (BOE of April 1) and the modification of the temporal references provided for in the First Additional Provision of Royal Decree-Law 15/2020, of April 21, on urgent complementary measures to support the economy and employment (BOE of April 22). Therefore, the deadline for the completion of the works and legal acquisition of the home expired on March 19, 2021.

For these purposes:

- In cases of construction through direct execution by the taxpayer - self-promotion -, the legal acquisition is understood to be obtained with the completion of the works, a fact that must be able to be duly proven, taking the date of the deed of declaration of new construction in its absence.
- In cases of construction through delivery to a developer or cooperative, the legal acquisition is deemed to have been obtained in accordance with the provisions of the Civil Code, when the contract (title) and the tradition or delivery of the dwelling (method) are present.

In accordance with the above, in fiscal year 2025 in cases of construction of primary residences, Once the deadlines have passed, to continue applying the deduction The completion of the works and the legal acquisition of the dwelling must have taken place under the terms discussed.before March 20, 2021. For this reason, **Taxpayers who use external financing may continue to claim the deduction for the amounts paid during the year (principal and interest) for the construction of their main residence under the heading "Acquisition and/or construction of the main residence"**in Annex A.1 of the declaration, but must include as additional data in the declaration of IRPFABBR the date of the deed of acquisition or new construction of the dwelling.

Concept of acquisition, rehabilitation and expansion of the habitual residence

Concept of acquisition of habitual residence

For the purposes of the deduction, the acquisition of a habitual residence is understood to be the legal acquisition of the right of ownership or full ownership of the same, even if this is shared, regardless of the legal transaction that originates it. Thus, the acquisition may be made by sale, exchange, inheritance, legacy or donation. Therefore, the acquisition of bare ownership, usufruct or other real rights of enjoyment or use of the habitual residence is excluded from the concept of acquisition valid for the application of the deduction.

The deduction for the acquisition of a primary residence may be applied if the property was legally acquired prior to 1 January 2013. That is, if prior to that date the contract (title) and the transfer or delivery of the property (method) occur.

Clarifications :

- **Marriage annulment, divorce or judicial separation.**

- a. In the event of annulment of marriage, divorce or legal separation, the taxpayer may continue to apply this deduction for the amounts paid in the tax period for the acquisition of what was his or her habitual residence during the marriage, provided that this condition continues to apply to the common children and the parent in whose company they remain.

You may also deduct any amounts paid for the purchase of a home that is or will be your habitual residence, with a joint limit of 9,040 euros per year.

- b. Likewise, if the taxpayer, by virtue of a divorce decree, satisfies all the payments of the loan for the acquisition of the habitual residence that, at the time, was granted jointly to both spouses and for the repayment of which the two had been practicing before of January 1, 2013, the deduction for the acquisition of a habitual residence, you have the right to apply said deduction for the entire amounts paid for this concept even if you only own 50 percent of the home because the company has not been liquidated. of marital property, both in the event that the home continues to have habitual status for him and the joint children and in the event that the home has such status for the common children and the other parent. See in this regard the Resolution of TEAC of November 23, 2021. Claim number 00/00629/2021, relapsed into an extraordinary appeal in unification of criteria.

- **Dismemberment of the domain (usufruct and bare ownership) mortis causa, temporal limit of the right to deduction.**

The right to apply the deduction for investment in a habitual residence is recognized even if one is not the owner of full ownership in cases in which the habitual residence was originally acquired in full ownership by the spouses pro indiviso or for the conjugal partnership and, Since it constitutes the habitual residence of both of them and their minor children, the dismemberment of the domain occurs, not voluntarily, but mortis causa due to the death of one of the spouses, and the house continues to constitute the habitual residence of the family unit. See in this regard the Resolution of TEAC of May 8, 2014. Claim number 00/00990/2012 , relapse into extraordinary appeal for unification of criteria.

In cases in which the habitual residence was acquired before January 1, 2013 under the conditions indicated above (that is, in full ownership by both spouses pro undivided or for the conjugal partnership), and, after the death of one of them, the dismemberment of the domain occurs, with the widowed spouse acquiring the usufruct by inheritance, the application of the deduction for investment in habitual residence will depend on the date on which the death occurred:

- a. If the death occurred prior to January 1, 2013, the surviving spouse may apply the deduction for investment in habitual residence for the amounts paid, not only for the part of the property over which he or she has full ownership, but also for the part of the usufruct that you acquire as long as it continues to constitute your habitual residence
- b. If the death occurs after January 1, 2013, the surviving spouse can only apply the deduction for investment in habitual residence for the part of the property over which he or she has full ownership, while it will not apply to the usufruct that he or she acquires. the transitional deduction regime provided for in the eighteenth transitional provision of the Personal Income Tax Law and, consequently, you will not be able to make the deduction for investment in habitual residence for the amounts paid linked to said acquisition of usufruct.

- **Termination of the condominium after January 1, 2013.**

- a. In the event of the termination of a joint ownership of a primary residence as of 1 January 2013, if one of the parties obtains 100% of the residence, they will be entitled to apply 100% of the deduction for the acquisition of a primary residence, up to a total of 9,040 euros as a base, provided that said deduction was applied in a year prior to 2013 in the percentage corresponding to their participation in the joint ownership.

In this case, the application of the deduction for the acquired part until completing 100% of the full ownership of the property will have as a limit the amount that the co-owner who ceases to be the owner of the property would have had the right to deduct from the date of termination of the condominium if said termination had not taken place. The deduction will also be conditional on the fact that the co-owner who ceases to be the owner has not exhausted the possibility of continuing to apply the deduction for the acquisition of a habitual residence by the date of termination of the condominium.

See in this regard the Resolution of TEAC of October 1, 2020. Claim number 00/00561/2020 , relapse in extraordinary appeal for unification of criteria.

- b. However, unlike the previous case, in the case of acquisition of a percentage of the habitual residence due to the death of the spouse, it is necessary to differentiate the part acquired by the dissolution of the matrimonial property regime, which does generate the right to deduction, from the part acquired by inheritance that will not give the right to deduction.

Accordingly, in the case of two spouses whose marital property regime is community property, who only own one property – their main residence acquired before 2013 – if one dies after January 1, 2013, and the surviving spouse inherits the other half of the property, paying 100% of the loan installments, the surviving spouse will not be able to claim the deduction for investment in a main residence for 100% of the property from the date of death – only for the 50% they already owned before 2013 – because the acquisition of the other half does not derive from the dissolution of the community property regime but from inheritance, and this acquisition occurred after 2013. Therefore, once the deduction for investment in a main residence is eliminated, the eighteenth transitional provision of the Law will not apply to them. IRPFABBR, for failing to comply with the requirements of paragraph 1, letter a), of said provision.

Concept of rehabilitation of habitual housing

Regulations: Art. 55.5 Regulations IRPFABBR. Edited on 31-12-2012

For the purposes of this type of deduction, renovation of a habitual residence is considered to be any work carried out therein that has met any of the following requirements:

- a. **That the works have been classified or declared as a protected action in matters of housing rehabilitation**, under the terms provided for in Royal Decree 2066/2008, of December 12, which regulates the State Housing and Rehabilitation Plan 2009-2012" (BOE December 24); in Royal Decree 106/2018, of March 9, which regulates the State Housing Plan 2018-2021 (BOE of March 10),); in Royal Decree 42/2022, of January 18, which regulates the Young Rental Bonus and the State Plan for access to housing 2022-2025 (BOE of January 19).
- b. **That the works have as their main objective the reconstruction of the dwelling by means of the consolidation and treatment of the structures, facades or roofs and other similar** , provided that the overall cost of the rehabilitation operations exceeds 25% of the acquisition price if the acquisition had been made during the two years immediately prior to the start of the rehabilitation works or, otherwise, the market value of the dwelling at the time of said start. For these purposes, the proportional part corresponding to the land will be deducted from the purchase price or market value of the home.

Concept of extension of the habitual residence

Regulations: Art. 55.1 Regulations IRPFABBR. Edited on 31-12-2012

An extension of a habitual residence is understood to be the **increase in its habitable surface**, produced by enclosing the uncovered part or by any other means, permanently and during all times of the year. Thus, this concept includes both the acquisition of an adjoining dwelling and a dwelling located on an immediately higher or lower level, with the aim of joining it to the habitual dwelling and thus increasing its habitable surface area.

Remember: Rehabilitation or extension works on the habitual residence will give rise to the right to the deduction when amounts have been paid for such concepts prior to 1 January 2013, provided that the works have also been completed before 1 January 2017.

Concepts that do not give the right to deduction

Regulations: Art. 55.2 Regulations IRPFABBR. Edited on 31-12-2012

For the purposes of the deduction, the following concepts are in no case considered investment in habitual housing:

- a. **Maintenance and repair expenses** regularly incurred for the purpose of maintaining the normal use of material assets, such as painting, plastering or repairing facilities and the like.
- b. **The costs of replacing elements** such as heating systems, elevators, security doors and others.
- c. **Improvements**, meaning works that result in an increase in the capacity or habitability of the properties, or in an extension of their useful life.
- d. **Parking spaces** purchased jointly with the home that exceed two.
- e. **The acquisition of parking spaces, gardens, parks, swimming pools and sports facilities** and, in general, annexes or any other element that does not constitute actual housing, **provided that they are acquired independently of this**.

Amounts paid with the right to deduction and maximum deductible base

Deduction base

Regulations: Art. 68.1.1 Law IRPFABBR. Edited on 31-12-2012

Subject to the limit of 9,040 euros, the basis for the deduction consists of **the amounts paid by the taxpayer in the fiscal year** for the acquisition, construction, renovation and expansion of the main residence, including the expenses and taxes incurred that have been borne by the taxpayer, such as Property Transfer Tax and Documented Legal Acts, IVAABBR Architect and surveyor fees, building permit, declaration of new construction, notary and registration fees, agency fees, etc.

In the case of **investment through external financing**, the deduction will be applied as the principal of the loan is repaid and, where applicable, the corresponding interest is paid, provided that all the requirements for applying the deduction are met.

Clarifications :

- **Case of novation, subrogation or substitution of one loan or credit for another, or extension:**

The novation, subrogation or replacement of a loan or credit for another, including its extension, whatever the agreed form -with the guarantees and conditions that any of them have-, does not imply understanding that at that moment the financing process of the corresponding investment concludes or that the possibilities of practicing the deduction are exhausted. It only involves modifying the financing conditions initially agreed upon, provided that, obviously, the resulting loan is actually used to repay the previous loan.

Therefore, the annuities (amortization and interest quota) and other amounts paid for the resulting loan or credit - in its constitution, life and cancellation -, in the proportional part that, of the total capital obtained in it, is attributable to the amortization or cancellation of the original loan - when this has been exclusively used to acquire the habitual residence -, including, where appropriate, the mortgage registration cancellation, will give the right to a deduction for investment in habitual residence, forming part of the deduction base for the tax period in which they are paid, provided that the other legal and regulatory requirements are met. In the case of an increase in the principal, if the entire amount is used to cover the costs associated with the cancellation of the original loan, it may also be subject to deduction. On the other hand, the proportional part of the indicated annual payments that correspond to the increase in the principal, which would have been used to finance things other than the acquisition of the home itself, whatever it may be, will not be eligible to be included in the deduction base.

Regarding the new loan or credit, the taxpayer must be able to prove that it is used for housing and provide proof of its repayment.

See also the details that appear in the "[Concept of acquisition of habitual residence](#)" of this deduction.

- **Case of partial or total cancellation of the debt and contracting of a new loan or credit:**

If, in the same act, the cancellation operation and the signing of a new loan or credit contract occur simultaneously, using part or all of the principal obtained in this new contract for its cancellation, the right to deduction will not be lost, and both the expenses generated due to the cancellation of the original loan and those for the establishment of the new loan will be considered deductible.

To demonstrate continued financing, it is not necessarily required that the costs associated with switching or replacing loans be met with part of the principal of the new loan.

Regarding the new loan or credit and its connection to the previous one, as with any other, the taxpayer must be able to prove the connection with the lender, its use in connection with the home, and proof of its repayment.

- **Assumption of transfer of the main residence and application of the amount obtained to the cancellation of the mortgage loan**

The TEAC in its Resolution no. 00/02995/2025, of October 20, 2025, for the resolution of the extraordinary appeal for the unification of criteria, in a case of application of Transitional Provision 18 of Law 35/2006 relating to the deduction for acquisition of a main residence, has established as a criterion that "when an interested party who sells what was their main residence and in which they lived until then, cancels the remaining amount of the mortgage loan that encumbered it using for this purpose part of the amount that they have received as the price for its sale, that interested party will be able to enjoy the deduction for investment in the main residence, including in the base of such deduction those amounts that they have obtained from the transfer of said residence and that they have allocated to the cancellation of the mortgage loan that encumbered it, if they comply with the requirements set out in the Fifth Legal Basis of this resolution."

It does not introduce any additional requirements beyond those provided for in the aforementioned provision, and considers that "given the fungible nature of money, (...), it is not required that the monthly payments of the mortgage loan be made with funds that come from a certain income (even from the sale of the home), what is

relevant for this purpose is the difference between the “net” assets (assets less debts) at the beginning of the year and those at the end of the year; assets that must have increased, at a minimum, in the deduction base.”, in accordance with the requirement set out in Article 70 of the Law of IRPFABBR.

Consequently, the doctrine established by this TEAC resolution is not only applicable to cases of deduction for investment in main residence derived from its acquisition, but also extends to the other cases contemplated in Law 35/2006, that is, construction, rehabilitation or extension of the main residence, as well as the deductions linked to the adaptation of the home due to disability.

In these cases, **will form part of the basis of the deduction, in addition to the amortization of the capital and the interest, the other expenses derived from said financing** among which the following can be mentioned:

- **The cost of the interest rate risk hedging instruments for mortgage loans** regulated in article nineteen of Law 36/2003, of November 11, on economic reform measures (BOE of November 12). In the case of application of the aforementioned hedging instruments, the interest paid by the taxpayer will be reduced by the amounts obtained by the application of the aforementioned instrument.
- **Premiums for life and fire insurance contracts** , provided that they are included in the conditions of mortgage loans obtained for the acquisition (or, where appropriate, for the construction), rehabilitation or extension of the habitual residence.

Note: according to the Forty-fifth Additional Provision of the Law IRPFABBR The following amounts will not be included in the base for the deduction for investment in main residence or in the deductions for this concept established by the Autonomous Community:

- *The amounts that, due to the application of mortgage floor clauses, would have been paid by the taxpayer in 2025, when before the end of the self-assessment filing period of IRPFABBR for said exercise an agreement is reached for the return of the same with the financial entity, or such return is due as a consequence of the execution or compliance with judicial sentences or arbitration awards.*
- *Those amounts paid in previous years by the taxpayer in application of the floor clauses subject to refund that are directly allocated by the financial institution in the year, following an agreement with the affected taxpayer, judgment or arbitration award, to reduce the principal of the loan.*

Maximum deductible investment base

Regulations: Art. 68.1 1 Law IRPFABBR, written on 31-12-2012

The maximum deduction base for investments in the acquisition, rehabilitation or expansion of the habitual residence is **9,040 euros per year** .

This limit will be unique for the set of investment concepts mentioned and will be applied **in the same amount in joint taxation** .

Any excess of the amounts invested over said amounts cannot be carried over to future years.

In the event of the termination of a joint ownership of a primary residence as of 1 January 2013, if one of the parties obtains 100% of the residence, they will be entitled to apply 100% of the deduction for the acquisition of a primary residence, up to a total of 9,040 euros as a base, provided that said deduction was applied in a year prior to 2013 in the percentage corresponding to their participation in the joint ownership.

In this case, the application of the deduction for the acquired part until completing 100% of the full ownership of the property will have as a limit the amount that the co-owner who ceases to be the owner of the property would have had the right to deduct from the date of termination of the condominium if said termination had not taken place. The deduction will also be conditional on the fact that the co-owner who ceases to be the owner has not exhausted the possibility of continuing to apply the deduction for the acquisition of a habitual residence by the date of termination of the condominium. See in this regard the Resolution of the TEAC of October 1, 2020, Claim number 00/00561/2020, filed in an extraordinary appeal for unification of criteria.

Other conditions for the application of the deduction

Regulations: Art. 68.1.2 Law IRPFABBR. Edited on 31-12-2012

In order to determine the basis for the deduction, i.e. the amounts invested with the right to deduction, the following special rules must be taken into account, in addition to the requirements indicated above:

- **When a primary residence is acquired after having enjoyed the deduction for the acquisition of other previous primary residences**, deductions cannot be made for the acquisition, rehabilitation or extension of the new residence until the amount invested in it exceeds the amounts invested in the previous residences that have enjoyed the deduction.
- **When the transfer [the habitual residence has generated](#) exempt capital gain due to reinvestment, the deduction base for the acquisition, renovation or extension of the new habitual residence will be reduced by the amount of the capital gain**, and no deductions may be made until the amount invested exceeds the sum of the acquisition price of the previous residences, to the extent that they have been eligible for deduction, plus the exempt capital gain in the previous ones.

Similarly, when **The transfer of the main residence would have generated a capital gain that was partially not subject to tax.** by application of the ninth transitional provision of the Law of IRPFABBR (because the acquisition date is prior to December 31, 1994), the deduction for the acquisition of the new home cannot begin until the amount invested in it exceeds the amounts invested in the previous main homes, to the extent that they had benefited from the deduction, plus the capital gain that is exempt due to reinvestment.

The application of the [reduction or abatement coefficients](#) to determine the portion of the capital gain obtained from the transfer of homes acquired before December 31, 1994 that is not subject to IRPFABBR by application of the provisions of the ninth transitional provision of the Law of IRPFABBR This is discussed in more detail in Chapter 11.

Remember: Taxpayers who have paid amounts for the construction of their primary residence prior to January 1, 2013 and have completed the work will be entitled to continue to claim the deduction under the "primary residence acquisition" modality when they have used external financing, and meet the requirements of completion on time, occupation and effective and permanent residence provided for it.

Deduction percentages

Regulations: Art. 68.1.1 Law IRPFABBR. Edited on 31-12-2012

The deduction percentages applicable to the acquisition, rehabilitation or extension of the habitual residence are those indicated in the following table:

Investment	State section of the deduction	Regional section of the deduction		
		Catalonia		Remaining Autonomous Communities
		In general terms	Special regime	
Investment made in the year up to 9,040 euros	7.5%	7.5%	9%	7.5%

Notes to the table:

(1) The special regime (9%) is applicable to taxpayers residing in the Autonomous Community of Catalonia who acquired their habitual residence before 30-07-2011 or paid amounts for the construction of the habitual residence before 30-07-2011 (does not include the rehabilitation or extension of the habitual residence) and are in any of the following situations:

- Be 32 years of age or younger on the accrual date of IRPFABBR.
- Having been unemployed for 183 days or more during the year.
- Have a disability level equal to or greater than 65%.
- Be part of a family unit that includes at least one child on the date of accrual of personal income tax.

In order to benefit from the 9% deduction, the total taxable base, minus the personal and family minimum, must not exceed 30,000 euros. In the case of joint taxation, this limit is calculated individually for each of the taxpayers who are entitled to the deduction for having made investments in their habitual residence during the year. [\(Back\)](#)

(2) Includes the remaining Autonomous Communities with a common regime and the Cities with the Statute of Autonomy of Ceuta and Melilla to which article 78.2 of the Personal Income Tax Law applies, in the version in force on 31 December 2012. [\(Back\)](#)

Works and installations to adapt the habitual residence for reasons of disability

Regulations: Articles 68.1.4 and 78.2 Law IRPFABBR; 57 Regulation IRPFABBR, written on 31-12-2012

Who is entitled to this deduction?

The following will be entitled to apply the transitional deduction regime for investment in primary residence:

- a. Taxpayers who have paid amounts for the execution of works and installations to adapt the habitual residence of people with disabilities prior to January 1, 2013, provided that the aforementioned works or installations have been completed before January 1, 2017.
- b. Taxpayers who are co-owners of the property where disabled people reside and where modification works are carried out on the common elements of the building that serve as a necessary passage between the urban property and the public road, such as stairs, elevators, hallways, doorways or any other architectural element, as well as those necessary for the application of electronic devices that serve to overcome sensory communication barriers or promote their safety.

Concept of works and installations for adaptation of the habitual residence

For the purposes of the deduction, the following are considered works and installations to adapt the habitual residence:

- a. Works involving renovation of the interior of the home.
- b. Works to modify common elements of the building that serve as a necessary passage between the public road and the urban property, such as stairs, elevators, hallways, doorways or any other architectural element.
- c. The works required for the application of electronic devices that serve to overcome sensory communication barriers or promote safety.

Accreditation of the need for works and installations

The adaptation works and installations must be classified as necessary for accessibility and sensory communication that facilitates the dignified and adequate development of the disabled person, by means of a certificate or resolution issued by the IMSERSO or the competent body of the Autonomous Communities in matters of disability assessment based on the opinion issued by the Assessment and Guidance Teams dependent on it.

Subjective requirements of deduction

The subjective requirements that must be met to apply this deduction are the following:

- a. That the disabled person is the taxpayer himself or herself, his or her spouse or a relative, in a direct or collateral line, by blood or by affinity, up to the third degree inclusive, who lives with him or her.

- b. That the dwelling is occupied by any of the persons referred to in the previous paragraph as owner, tenant, sub-tenant or usufructuary.

Amounts invested with the right to deduction

The basis for the deduction is the amount paid in the year by the taxpayer for works and installations to adapt the home for reasons of disability in the terms previously mentioned.

Maximum deductible investment base

Regulations: Articles 68.1. 4 d) Law IRPFABBR, written on 31-12-2012

The maximum annual deduction base for amounts allocated to carrying out works and installations to adapt the taxpayer's habitual residence due to disability is **12,080 euros per year**.

This limit is also applied with joint taxation.

Any excess of the amounts invested over said amounts cannot be carried over to future years.

Remember: The limit of 12,080 euros per year for works and installations to adapt the habitual residence for reasons of disability is independent of the limit of 9,040 euros per year set for other deductible concepts for investment in habitual residence.

Deduction percentages

The deduction percentages applicable in the current year are those indicated in the following table:

Investment	State section of the deduction	Regional section of the deduction	
		Catalonia	Remaining Autonomous Communities
Investment made in the year up to 12,080 euros	10%	15%	10%

Note to the table:

(1) It includes the other Autonomous Communities with a common regime and the Cities with the Statute of Autonomy of Ceuta and Melilla to which article 78.2 of the Personal Income Tax Law applies, in the version in force on 31 December 2012. [\(Back\)](#)

Deduction for investment in companies of new or recent creation

Regulations: Articles 68.1 and Thirty-eighth Additional Provision.2 Law IRPFABBR

The deduction for investment in newly created or recently established companies is introduced in the IRPFABBR with the aim of facilitating the acquisition by newly created or recently established companies of equity funds from taxpayers who, in addition to financial capital, wish to contribute their business or professional knowledge to the development of the company in which they invest (local investor or "business angel"), or also from those taxpayers who are only interested in contributing capital (seed capital).

The highlights of this deduction are as follows:

Purpose, maximum base and percentage of the deduction

Object of the deduction

Taxpayers may apply this deduction for amounts paid in the fiscal year for the **subscription of shares or interests in newly or recently created companies** when the requirements and conditions indicated below are met, and may, in addition to providing capital, collaborate with their business or professional knowledge in the development of the entity in which they invest under the terms established by the investment agreement between the taxpayer and the entity.

For the purposes of this deduction, a valid investment that allows for its deduction may be considered to be one made by someone who, in a capital increase of a newly created or recently established company, contributes a credit that they hold against the company, provided that the other requirements of Article 68.1 of the Law are met. IRPFABBR. See in this regard the Resolution of the TEAC of June 1, 2020. Claim number 00/06580/2019 , filed in an appeal for the unification of criteria.

Attention : This deduction is exclusively state-owned and, therefore, only reduces the full state quota.

Deduction base and maximum amount

The maximum deduction base is, from January 1, 2023, **100,000 euros per year** and is formed by the acquisition value of the subscribed shares or participations.

Provided that the remaining requirements established in Article 68.1 of the Personal Income Tax Law are met, the deduction base will include not only the amounts paid corresponding to the participation in the share capital, but also those paid as a premium for the issuance of shares or subscribed shares.

Amounts paid for the subscription of shares or interests that are not deducted because they exceed the maximum annual deduction base may not be deducted in subsequent years.

The amounts paid for the subscription of shares or participations will not form part of the deduction base when, with respect to such amounts, the taxpayer **applies a deduction established by the Autonomous Community in the exercise of its powers.**

Furthermore, when the taxpayer transfers shares or holdings and opts for the application of the reinvestment exemption regulated in article 38.2 of the Law of IRPFABBR, **Only the portion of the reinvestment that exceeds the total amount obtained from the transfer of the new shares or holdings subscribed will form part of the basis for the deduction corresponding to the new shares or holdings subscribed.**

In no case can a deduction be made for new shares or participations as long as the amounts invested do not exceed the aforementioned amount of 100,000 euros per year.

Regarding the [exemption for reinvestment](#) of capital gains obtained from the transfer of shares or interests in newly or recently created companies, see Chapter 11.

Percentage of deduction

The deduction percentage applicable to the amounts paid in the year for the subscription of shares or interests in newly or recently created companies, in the terms previously mentioned, from January 1, 2023 is **50 percent** .

Remember: *With effect from 1 January 2023, the maximum base for this deduction has been raised from €60,000 to €100,000 per year, and the deduction percentage of the amounts paid has been raised from 30% to 50%. In addition, certain requirements for the application of this deduction to emerging companies have been expanded and eliminated, as listed in the following section.*

Requirements and conditions for your application

1. Requirements that must be met by the entity in which the investment is made

Regulations: Art. 68.1.2 Law IRPFABBR

The entity whose shares or interests are acquired must meet the following requirements:

- a. **Be in the form of a** Public Limited Company, Limited Liability Company, Labour Public Limited Company or Labour Limited Liability Company, in accordance with the terms set forth in the consolidated text of the Capital Companies Act, approved by Royal Legislative Decree 1/2010, of July 2, and in Law 44/2015, of October 14, on Labour Companies, and **not be admitted to trading on any organized market**, whether regulated markets or multilateral trading systems.

This requirement must be met during all years of holding the share or participation.

- b. **Carry out an economic activity** that has the personal and material means for its development.

In particular, the activity may not include the management of movable or immovable assets referred to in article 4.8.Two.a) of Law 19/1991, of June 6, on Wealth Tax, in any of the entity's tax periods concluded prior to the transfer of the participation.

- c. The **amount of the entity's equity** may not exceed **400,000 euros** at the start of the tax period in which the taxpayer acquires the shares or interests.

When the entity forms part of a group of companies within the meaning of Article 42 of the Commercial Code, regardless of the residence and the obligation to prepare consolidated annual accounts, the amount of equity will refer to the set of entities belonging to said group.

2. Conditions that must be met by the shares or interests in which the investment is made

Regulations: Art. 68.1.3 Law IRPFABBR

The following conditions must also be met:

- a. The **shares or interests in the entity must be acquired** by the taxpayer either at **the time of its incorporation** or **through a capital increase** carried out within the following periods:
- As a general rule, within five years following said constitution.
 - In the case of start-ups referred to in section 1 of article 3 of Law 28/2022, of December 21, on the promotion of the start-up ecosystem, within seven years following said incorporation.

In addition, they must **remain in your estate for a period of more than three years and less than twelve years**.

Startups

In accordance with section 1 of article 3 of Law 28/2022, of December 21, 2022, on the promotion of the ecosystem of emerging companies, "*emerging company*" means any legal entity, including technology-based companies created under Law 14/2011, of June 1, on Science, Technology and Innovation, that simultaneously meets the following conditions:

1. Being newly created or, not being newly created ,

- In general, when no more than five years have passed since the date of registration in the Commercial Registry, or competent Registry of Cooperatives, of the public deed of incorporation, or
- in the case of companies in biotechnology, energy, industrial and other strategic sectors or those that have developed their own technology, designed entirely in Spain, when seven years have not elapsed.

2. Not having arisen from a merger, spin-off or transformation operation of companies that are not considered emerging companies. The terms concentration or segregation are considered to be included in the previous operations.

3. Not distributing or having distributed dividends , or returns in the case of cooperatives.

4. **Do not trade** on a regulated market.

5. **Have its registered office, registered office or permanent establishment in Spain** .

6. **Have at 60 per 100 of the workforce with an employment contract in Spain** . In cooperatives, worker members and working members whose relationship is of a corporate nature will be counted within the workforce for the sole purposes of the aforementioned percentage.

7. **Develop an innovative entrepreneurship project** that has a scalable business model.

When the company belongs to a group of companies defined in article 42 of the Commercial Code, the group or **each of the companies that comprise it must comply with the above requirements** .

Entrepreneurs who wish to benefit from the special features and advantages of Law 28/2022 must obtain the "certification of innovative and scalable entrepreneurship of the business model" referred to in Article 4 of the aforementioned law and be registered as such in the Commercial Registry or in the competent Registry of Cooperatives.

Regarding entrepreneurship certification, see Order PCM /825/2023, of July 20, which regulates the criteria and procedure for certification of emerging companies that provide access to the benefits and specialties recognized in Law 28/2022, of December 21, on the promotion of the ecosystem of emerging companies.

- b. The direct or **participation of the taxpayer, together with that held in the same entity by his** her spouse or any person related to the taxpayer by kinship, in a direct or collateral line, by consanguinity or affinity, up to the **degree included, may not exceed, during any day of the calendar years of holding the participation, 40** of the entity's share capital or its voting rights.

Exception: *This requirement will not apply to the founding partners of a start-up company referred to in Law 28/2022, of December 21, on the promotion of the start-up ecosystem, understood as those who appear in the public deed of incorporation of the company.*

- c. That they are not shares or interests in an entity through which the same activity is carried out previously carried out through another ownership.

3. Formal requirements

Regulations: Art. 68.1.5 Law IRPFABBR

Compliance with these requirements **must be accredited by a certification issued by said entity** in the tax period in which the acquisition took place.

To do so, the entity that meets the requirements must submit a **information declaration** in relation to compliance with the requirements, identification of its shareholders or participants, percentage and period of holding of the participation.

Note: The obligation for newly created or recently established entities to submit an information return and the information that must be included is established in Article 69.1 of the Regulation of IRPFABBR.

Likewise, in relation to this informative declaration, see Order HAP /2455/2013, of December 27, which approves form 165, "Informative declaration of individual certifications issued to partners or participants of newly or recently created entities" and determines the place, form, term and procedure for its presentation, and modifies the Order of July 27, 2001, which approves forms 043, 044, 045, 181, 182, 190, 311, 371, 345, 480, 650, 652 and 651, in euros, as well as form 777, payment or refund document in the case of late and complementary declarations-settlements, and which establishes the obligation to necessarily use the forms in euros from of January 1, 2002 (BOE of December 31).

Deduction limit: verification of the financial situation

Regulations: Art. 70 Law IRPFABBR

The application of this deduction will require that the verified amount of the taxpayer's assets at the end of the tax period exceeds the value shown by its verification at the beginning of the period by at least the amount of the investments made.

For these purposes, increases or decreases in value experienced during the tax period by assets that at the end of the period continue to form part of the taxpayer's assets will not be computed.

The objective of this last requirement is to ensure that the amounts invested that qualify for the deduction come from the income generated in the period, whether or not it is subject to the IRPFABBR preventing deductions from being made based on amounts derived from income generated in previous years.

Note: Regarding [verification of the assets situation](#) see what is discussed in the corresponding section of the "Deduction for investment in habitual residence: "Transitional regime" in this Chapter.

Example: Application of the deduction for investment in companies of new or recent creation

After the closure of the optician's shop where four of its employees worked, they decided to open a new establishment of this type in Zaragoza, for which they formed the public limited company XX in January 2025 with an initial capital of 300,000 euros (300 shares).

Mr. JASM, a resident of Zaragoza (a former customer of the optician's shop that closed), decides to invest in the new business and subscribes in 2025 to a total of 110 shares of the public limited company "XX":

- 50 shares in March (50,000 euros)
- 60 shares in November (60,000 euros)

Determine the amount of the deduction for investment in newly created or recently established companies in 2025, assuming that the requirements for applying it are met.

Solution:

Previous note: Taxpayers residing in the Autonomous Community of Aragon can apply in the 2025 tax year both the state deduction for investment in the acquisition of shares and equity interests of new or recently created entities and the regional deduction. However, according to the regional regulations applicable in the 2025 tax year, the taxpayer can only apply the regional deduction to the amount invested that exceeds the maximum base of the state deduction for investment in the acquisition of shares or equity interests of new or recently created entities provided for in the aforementioned article 68.1 of the Law of IRPFABBR.

Total amount invested in 2025 $(50,000 + 60,000) = 110,000$

Deduction in the total state quota

- Investment amount with right to deduction [\(1\)](#) = 100,000
 - Maximum deduction base: 100,000
 - Effective deduction base: 110,000
- Deduction amount $(100,000 \times 50\%) = 50,000$

Deduction in the total regional quota

- Investment amount with right to deduction [\(2\)](#) = 10,000
- Deduction amount $(10,000 \times 20\%)$ [\(3\)](#) = 2,000

Notes to the example:

(1) The amounts invested in 2025 will be eligible for the deduction provided they meet the requirements set out in Article 68.1.1 of the Law IRPFABBR with a maximum deduction base, from January 1, 2023, of the amount of 100,000 euros per year and an applicable percentage of 50%. Please also note that if the shares are held for a minimum of 3 years from the date of investment, their sale or transfer may benefit from the exemption of the capital gains generated provided that the amount obtained is reinvested in shares of new or recently created companies. [\(Back\)](#)

(2) The 10,000 euros of the 110,000 invested in 2025 that exceed the maximum base of the state deduction can serve as the basis for the deduction for investment in the acquisition of shares or equity interests in new or recently created entities established by the Autonomous Community of Aragon in the exercise of its powers, provided that they meet the requirements and conditions demanded. [\(Back\)](#)

(3) In the regional deduction, the applicable deduction percentage is 20% with a maximum amount of 4,000 euros, which in this case is not exceeded. [\(Back\)](#)

Deductions for incentives and stimuli to business investment in economic activities in direct estimation

Regulations: Articles 68.2 and 69.2 Law IRPFABBR

Taxpayers who carry out economic activities in direct estimation may apply the incentives and stimuli for business investment established or to be established in the Corporate Tax regulations with equal percentages and deduction limits, **with two exceptions** :

1. This does not apply to taxpayers of IRPFABBR as provided in article 39.2 of the LIS which establishes the possibility of applying the deduction for research and development activities and technological innovation of sections 1 and 2 of article 35 of the LIS, applying the same with a 20 percent discount on its amount, without being subject to the joint limit of the full fee and being able to request, where appropriate, its payment, provided that certain requirements are met.

Regarding the LIS see Law 27/2014, of November 27, on Corporate Tax.

2. It also does not apply to taxpayers of IRPFABBR as provided in article 39.3 of the LIS which allows, in relation to the deduction for foreign film productions in Spain provided for in section 2 of article 36 of the LIS, request, in the case of insufficient quota, the advance payment of deduction for investment in foreign production of feature films or audiovisual works.

In addition to the deductions established by the LIS With the exceptions noted above, taxpayers of IRPFABBR whose activities meet the requirements to be considered small-sized entities may deduct the net income from economic activities of the tax period that is invested in new elements of tangible fixed assets or real estate investments related to economic activities under the terms discussed below.

Consequently, in the current fiscal year 2025, the deductions for incentives and stimuli for business investment that taxpayers engaged in economic activities can apply under the direct estimation method, in either of its two modalities, normal or simplified, can be structured in the following categories or regimes:

General regime and special regimes of deductions for incentives and stimuli to business investment of the Corporate Income Tax Law

1. Common rules for deductions

a) Percentages and limits for the application of corporate tax deductions

Regulations: Articles 68.2 and 3 Law IRPFABBR

The deduction percentage corresponding to each type of investment and the limits (joint or specific) applicable to the deductions generated are reflected, respectively, in the table of the [General Deduction Regime](#) and in the table of the [Special Deduction Regimes](#).

These limits apply to the quota resulting from reducing the sum of the full, state and regional quotas by the total amount of the deductions for investment in new or recently created companies and for actions for the protection and dissemination of the Spanish Historical Heritage and the cities, groups and assets declared World Heritage.

b) Deductions not applied in the year due to insufficient quota

Regulations: Art. 39.1 and twenty-fourth transitional provision LIS

Deductions from the exercise itself: In accordance with article 39.1 of the LIS the amounts corresponding to the tax period not deducted may be applied in the settlements of the tax periods that conclude in the immediate and successive 15 years. However, the amounts corresponding to the deduction for research and development activities and technological innovation of article 35 of the LIS may be applied in the liquidations of the tax periods that conclude in the immediate and successive 18 years.

Deductions from previous years: the deductions provided for in Chapter IV of Title VI of Law 43/1995, of December 27, on Corporation Tax, and in Chapter IV of Title VI of the consolidated text of the Corporation Tax Law, approved by Royal Legislative Decree 4/2004, of March 5, which were pending application at the beginning of the first tax period starting on or after January 1, 2015, may be deducted as of said tax period, with the requirements provided for in their respective applicable regulations prior to that date, within the period and under the conditions established in article 39 of the current Corporation Tax Law.

c) Cases of deferral of the calculation of deadlines

Regulations: Art. 39.1 LIS

The calculation of the periods for the application of deductions may be deferred until the first fiscal year in which, within the limitation period, positive results are produced, in the following cases:

- a. In newly created entities.
- b. In entities that offset losses from previous years by effectively providing new resources, without considering the application or capitalization of reserves as such.

d) Incompatibilities

Regulations: Art. 39.4 LIS

As a general rule, the same investment may not give rise to the application of more than one deduction by the same taxpayer unless expressly provided, nor may it give rise to the application of a deduction by more than one taxpayer.

e) Maintenance of investments

Regulations: Art. 39.5 LIS

Assets affected by deductions must remain in operation for 5 years or 3 years, if they are movable assets, or during their useful life if this is less.

In the case of film productions and audiovisual series, this requirement is deemed to be met to the extent that the producer maintains the same percentage of ownership of the work for a period of 3 years, without prejudice to its right to market all or part of the exploitation rights

derived from it to one or more third parties.

f) Limitation on the right to verify deductions

Regulations: Art. 39.6 LIS

The Administration's right to initiate the procedure for verifying deductions to encourage the performance of certain activities of the LIS provided for in this section, applied or pending application, will expire 10 years after the day following the date on which the deadline for submitting the declaration or self-assessment corresponding to the tax period in which the right to its application was generated.

After this period, the taxpayer must prove the deductions that he intends to apply by showing the liquidation or self-assessment and the accounting, with proof of their deposit during the aforementioned period in the Commercial Registry.

g) Other general conditions and requirements of application

The deductions discussed in this section are only applicable to taxpayers who carry out economic activities and determine their net income using the direct estimation method, in either of its two modalities.

However, deductions pending application from investments made in previous years in which the taxpayer was included in the direct estimation method and has met the requirements established for this purpose, may be deducted in this declaration and until the end of the legal period granted for this, even if the taxpayers are covered in this year by the objective estimation method.

Note: *the taxpayers of IRPFABBR Partners of civil partnerships to which the income attribution regime would have applied and who acquired the status of Corporation Tax payers from 1 January 2016, may continue to apply in their full tax liability the deductions for investment in economic activities provided for in article 68.2 of the Law of IRPFABBR that were pending application as of 1 January 2016 under the terms provided for in Article 69 of the Law of IRPFABBR provided that the conditions and requirements established in the LIS (thirtieth transitional provision of the Law) IRPFABBR).*

2. General deduction system

The business investments that determine the right to deduct for this concept are contained in **articles 35, 36, 38** and, from January 1, 2023, in **new article 38 ter of the LIS**.

Regarding the LIS see Law 27/2014, of November 27, on Corporate Tax.

Furthermore, in accordance with the provisions of section 5 of the twenty-fourth transitional provision of the LIS, is applicable in 2025 **deduction for investments under Article 37 of the consolidated text of the Corporate Income Tax Law**, approved by Royal Legislative Decree 4/2004, in those cases where the investment in assets related to economic activities is carried out in accordance with a special investment plan approved by the Tax

Administration at the proposal of the taxpayer and said plan allows the net income from economic activities of the 2014 tax period to be invested in new tangible fixed assets or real estate investments in the 2025 tax year.

Below is a table showing each of these types of deductions, their deduction percentage and the joint limit, as well as a specific study and commentary on each of them:

General deduction regime table (Law 27/2014, of November 27, on Corporate Tax)

Deductions to provide incentives to perform certain activities: investment modalities		Percentage of deduction	Joint limit
For investment in research and development activities and technological innovation (art. 35 LIS)	In research and development activities (art. 35.1 LIS)	25/42/8 per 100 17 per 100 (additional)	25/50 per 100
	In technological innovation activities (art. 35.2 LIS)	12 per 100	
For investments in film productions, audiovisual series and live shows of performing and musical arts (art. 36 LIS)	In Spanish productions of feature films, short films and audiovisual series (art. 36.1 LIS)	30/25 per 100	
	In foreign productions of feature films or audiovisual works -for the execution costs incurred in Spanish territory- (art. 36.2 LIS)	30/25 per 100 (excluded from joint limit)	
	In live shows of performing arts and music - production and exhibition costs - (art. 36.3 LIS)	20 per 100	
For investment in profits of the old art. 37 Revised Text of LIS (DT24 LIS)		10/5 out of 100	
For job creation for workers with disabilities (art. 38 LIS)		9,000/12,000 euros per person/year	
For business contributions to corporate social security systems imputed in favor of workers (art. 38 ter LIS)		10 percent	

Note: Investments made during the year by entities under income attribution regime (civil companies that are not taxpayers of Corporate Tax, unclaimed inheritances, community property,) that determine their net returns by direct estimation, in any of its two modalities, may be subject to deduction by each of the partners, heirs, co-owners or participants in proportion to their participation in the entity's results.

Article 35 LIS "Deduction for research and development and technological innovation activities"

Note: It should be noted that, in accordance with the provisions of Article 68.2 of the Law of IRPFABBRFor personal income tax (IRPF) taxpayers who carry out economic activities, the deductions for research and development and technological innovation activities of article 35.1 and 2 of LIS, **with exception of the provisions of paragraph 2 of Article 39 of the LIS**, That is, they may not, optionally, be excluded from the joint limit of 25 percent or 50 percent, nor apply said deductions with a discount of 20 percent of their amount when certain requirements are met, nor, finally, request, in case of insufficient quota, its payment to the Administration under the terms determined by the LIS.

The most relevant modalities and aspects to be examined in the deduction for research and development activities and technological innovation of article 35 of the LIS are the following:

A. Deduction for Research and Development activities (art. 35.1 LIS)

Subject

Regulations: Art. 35.1.a) LIS

Article 35.1.a) of the LIS defines **research and development** in the following terms:

- Research is considered to be the planned original inquiry that seeks to discover new knowledge and a better understanding in the scientific and technological field.
- Development is considered to be the application of the results of research or any other type of scientific knowledge for the manufacture of new materials or products or for the design of new production processes or systems, as well as for the substantial technological improvement of pre-existing materials, products, processes or systems.

Furthermore, the aforementioned section specifically considers the following activities as research and development activities that give the right to apply this deduction:

- The materialization of new products or processes in a plan, scheme or design, as well as the creation of a first non-marketable prototype and initial demonstration projects or pilot projects, provided that these cannot be converted or used for industrial applications or for commercial exploitation.
- The design and creation of a collection of samples in order to launch new products. For these purposes, the launch of a new product will be understood as its introduction into the market and a new product will be understood as one whose novelty is essential and not merely formal or accidental.
- The creation, combination and configuration of advanced software, using new theorems and algorithms or operating systems, languages, interfaces and applications aimed at elaborating products, processes or new or substantially improved services. Software designed to facilitate access to information society services for people with disabilities fall under this concept when they are carried out not for profit. Standard or routine activities related to software maintenance and minor updates are not included.

Deduction base

Regulations: Art. 35.1.b) LIS

The basis for the deduction is the amount of research and development expenses and, where applicable, investments in tangible and intangible fixed assets, excluding buildings and land.

For these purposes, research and development expenses will be considered those incurred by the taxpayer, including the depreciation of assets assigned to the aforementioned activities, insofar as they are directly related to the aforementioned activities and are effectively applied to their performance, being specifically individualized by project.

Accuracy : The concept of expense is none other than expense in accounting terms; That is, the deduction base is the accounting expenses of the year applied to the research and development activity, so the excess of tax amortization over accounting amortization, derived from the rules on freedom of amortization corresponding to investments made in assets applied to these activities, is not part of it.

The base of the deduction will be reduced by the amount of the subsidies received to promote said activities, and are taxed as income during the tax period.

The research and development expenses that form the basis of the deduction must correspond to activities carried out in Spain or in any Member State of the European Union or the European Economic Area.

Amounts paid for the performance of such activities in Spain or in any Member State of the European Union or the European Economic Area, on behalf of the taxpayer, individually or in collaboration with other entities, will also be considered research and development expenses.

The investments will be understood to have been made when the capital assets are put into operating condition.

Deduction percentages

Regulations: Art. 35.1.c) LIS

The deduction percentages are:

- As a general rule **25 percent** of the expenses incurred in the tax period for this concept.

However, if the expenses incurred in carrying out research and development activities in the tax period are greater than the average of those incurred in the previous 2 years, the **25% will be applied up to said average, and the** will be applied to the excess over this average.

In addition, an additional deduction of % **may be made** the amount of the entity's personnel expenses corresponding to qualified researchers assigned exclusively to research and development activities.

- **8 percent** of investments in tangible and intangible fixed assets, excluding buildings and land, provided that they are exclusively used for research and development activities.

Likewise, it is required that the elements in which the investment is materialized remain in the taxpayer's assets, except for justified losses, until they fulfill their specific purpose in research and development activities, except that their useful life according to the amortization method, admitted in letter a) of article 12.1 of the LIS , which is applied, is less.

In short:

Deduction base	Deduction percentage
R&D expenditure for the period, up to the average of the previous 2 years.	25%
R&D expenses for the period, over the average of the previous 2 years.	42%
Staff costs for qualified R&D researchers.	17%
Investments allocated to R&D (except buildings and land).	8%

B. Deduction for technological innovation activities (art. 35.2 LIS)

Concept of technological innovation

Regulations: Art. 35.2.a) LIS

Technological innovation is considered to be any activity that results in a technological advance in obtaining new products or production processes or substantial improvements to existing ones. New products or processes are considered to be those whose characteristics or applications are substantially different from those that existed previously, from a technological point of view.

Precision:

Novelty does not have to be merely formal or accessory, but rather implies the existence of an essential change, a modification of one of the basic and intrinsic characteristics of the product or process, which attributes a new nature to the modified element.

It does not require the creation of a new product or process that does not exist on the market, but rather the development of a new product or process that has not yet been developed by the entity carrying it out.

This activity will include the materialisation of new products or processes in a plan, scheme or design, the creation of a first non-marketable prototype, initial demonstration projects or pilot projects, including those related to animation and video games and textile samples, in the footwear, tanning, leather goods, toy, furniture and wood industries, provided that they cannot be converted or used for industrial applications or for commercial exploitation.

Deduction base

Regulations: Art. 35.2.b) LIS

1. Technological innovation activities whose expenses are included in the deduction base

The basis for the deduction for technological innovation activities will be the amount of expenses for the period corresponding to the following concepts:

- a. Technological diagnosis activities based around the identification, definition and orientation of advanced technological solutions, regardless of their results.
- b. Industrial design and engineering for production processes, including the design and elaboration of plans, drawings and supports aimed at defining the descriptive elements, technical specifications and functioning characteristics required for the manufacturing, testing, installation and use of a product, as well as the elaboration of textile samples, in the footwear, tanning, leather goods, toys, furniture and wood industries.
- c. Acquisition of advanced technology in the form of patents, licenses, know-how and designs.

Amounts paid to people or entities related to the taxpayers do not give way to the right to the deduction.

The base corresponding with this concept cannot exceed 1 million euros.

- d. Acquisition of the certificate of compliance with quality-assurance standards, corresponding with ISO 9000, GMP or similar, without including expenses incurred for implementing said standards.

2. Delimitation of technological innovation expenses

Technological innovation expenses are considered to be those incurred by the taxpayer as long as they are directly related to technological innovation activities, are effectively applied to carrying them out and are specifically individualized by project.

The technological innovation expenses that form the basis of the deduction must correspond to activities carried out in Spain or in any Member State of the European Union or the European Economic Area.

Likewise, amounts paid for the performance of such activities in Spain or in any Member State of the European Union or the European Economic Area, on behalf of the taxpayer, individually or in collaboration with other entities, will be considered technological innovation expenses.

The base of the deduction will be reduced by the amount of the subsidies received to promote said activities, and are taxed as income during the tax period.

Percentage of deduction

Regulations: Art. 35.2.c) LIS

In this case, the deduction percentage will be **12 per 100** of the expenses incurred in the tax period for this concept.

C. Exclusions and prior assessment of expenses

Exclusions

Regulations: Art. 35.3 LIS

The assumptions that **are not** considered research and development activities or of technological innovation are the following:

- a. **Activities that do not involve significant scientific or technological novelty** . In particular, routine efforts to improve the quality of products or processes, the adaptation of an existing product or production process to the specific requirements imposed by a customer, periodic or seasonal changes, except for textile and footwear, tanning, leather goods, toy, furniture and wood industry samples, as well as aesthetic or minor modifications of existing products to differentiate them from similar ones.
- b. **Industrial production and service provision or distribution of goods and services activities** . In particular, the planning of productive activity: the preparation and start of production, including the setting of tools and other activities other than those referred to in numbers 1 to 4 of letter b) of section 2 of article 35 of the LIS ; the incorporation or modification of facilities, machines, equipment and systems for production that are not affected by activities classified as research and development or innovation; the solution of technical problems of interrupted production processes; quality control and standardization of products and processes; social science research and market studies; the establishment of networks or facilities for marketing; the training and development of personnel related to such activities.
- c. **The exploration, survey or prospecting of minerals and hydrocarbons.**

Preliminary assessment of expenses corresponding to scientific research or technological innovation projects

Regulations: Art. 38 Regulation IS

In accordance with the provisions of article 38 of the Regulation of the IS , approved by Royal Decree 634/2015, of July 10, persons or entities that intend to carry out scientific research or technological innovation activities may request the tax authorities to assess, in accordance with the rules of the Corporate Tax and, on a prior and binding basis, the expenses corresponding to said activities that they consider eligible for this deduction, with the aforementioned regulatory provision establishing the content of the request and the procedure to be followed.

Article 36 LIS "Deduction for investments in cinematographic productions, audiovisual series and live performances of performing and musical arts"

Article 36 of the LIS regulates the deduction for investments in film productions, audiovisual series and production and exhibition of live performing arts and musical shows, distinguishing in different sections between Spanish productions, expenses of execution of a foreign

production in Spain and expenses incurred in the production and exhibition of live performing arts and musical shows.

These deductions are examined in the following sections:

A. Deduction for investments in Spanish film productions and audiovisual series (art. 36.1 LIS)

Beneficiaries of the deduction

Regulations: see also art. 39.7 LIS

- a. **Producers:** taxpayers who produce Spanish feature films, short films, and audiovisual fiction, animation, or documentary series.

The keys to delimiting the concept of producer, for the purposes of this deduction, are:

- Initiative: understood as the ability to decide on the execution of the work and its invoice (the term understood not as a document that reflects a price but as the workmanship or way of definitively capturing the work);
- Responsibility or assumption of production risk;
- Ownership of the rights derived from the ownership of the audiovisual work.

Criterion established in Resolution of TEAC of March 12, 2020 (claim no. 00/04680/2017/00/00) and reiterated in Resolution of TEAC of 09-22-2022 (claim no. 00/00530/2022/00/00)

- b. **Funders:** Since January 1, 2021, entrepreneurs or professionals who participate in the financing of Spanish productions of feature films, short films, audiovisual fiction series, animation or documentaries are allowed to apply this deduction, under the same conditions as the producers who generate the right to it, when the following circumstances occur:

- That they provide amounts in the form of financing, to cover all or part of the production costs, as well as the costs of obtaining copies, advertising and promotion at the expense of the producer **up to the limit of 30% of the production costs.**

Time when financing must be provided:

- The **amounts intended to finance production costs** may be contributed at any stage of production, prior to or after the moment in which the producer incurs the aforementioned production costs until obtaining the certificates referred to in letter a') of section 1 of article 36 of the LIS .

For this purpose, the date and time of issue of the certificate of nationality and the certificate of the cultural nature of the work, issued by the Institute of Cinematography and Audiovisual Arts or by the Autonomous Community that proceeds in accordance with the provisions of articles 12 of Law 55/2007, of December 28, on Cinema, and 5 and 22 of Royal Decree 1084/2015, of December 4, which implements Law 55/2007, of December 28, on Cinema, respectively, must be taken into consideration.

- The **amounts intended to finance expenses for obtaining copies, advertising and promotion by the producer** may be contributed before or after the moment in which the producer incurs the aforementioned expenses, but never after the tax period in which the producer incurs them.

- **That they do not acquire intellectual property rights or any other rights regarding the results of production** , the ownership of which must in all cases belong to the producer.
- **That they are not linked** , in the sense of article 18 of the LIS , with the taxpayer who generates the right to the deduction (the producer).

Important : *the producer and the taxpayers who participate in the financing (**financiers**) of the production must sign one or more financing contracts, which may also be signed at any stage of production being necessary that both **communicate** to the Tax Authority prior to the end of the tax period in which the latter (producer) has the right to apply the deduction this circumstance, providing both the signed financing contract and the certifications of compliance with the requirements demanded in article 36.1 for the application of the deduction.*

In the event that the financier and the producer agree to a modification of the financing contract initially signed, after the date on which it was submitted to the Tax Authority, the application of the deduction provided for in article 39.7 of the LIS , by the financier, requires that the latter submit the new agreed financing contract, provided that both the aforementioned modification and the submission of the new contract are made before the end of the tax period in which the taxpayer who participates in the financing of the production (financier) is entitled to apply the deduction.

To carry out this communication regulated in art. 39.7 LIS the management " [Presentation of communication regulated in art. 39.7 LIS](#) " has been created in the Electronic Headquarters of the State Agency of Tax Administration.

Deduction base

The basis for the deduction will be the total cost of production, as well as the costs of obtaining copies and the costs of advertising and promotion borne by producer **up to a limit for both of 40% of the cost of production** .

At least **50 percent** of the deduction base must correspond to **expenses incurred in Spanish territory** .

In the case of a co-production, the amounts will be determined, for each co-producer, based on their respective percentage of participation in the production.

The deduction base **will be reduced** by the amount of the subsidies received to finance the investments that generate the right to deduction.

Deduction percentage and maximum deduction amount

a. Percentage

Investments in **Spanish productions of feature films and short films and audiovisual series of fiction, animation or documentary**, which allow the creation of a physical support prior to their serial industrial production will entitle the producer or taxpayers who participate in the financing (financier) to a deduction that will be:

- From **30 percent** with respect to the first million of the deduction base.
- From **25 percent** on the excess of said amount.

Regarding the definition of Spanish productions of feature films and short films and audiovisual series of fiction, animation or documentary, see article 4 of Law 55/2007, of December 28, on Cinema (BOE December 29).

b. Maximum deduction amount

- **For the producer:**
 - In general, the amount of this deduction may not exceed **20 million euros**.
 - In the case of audiovisual series, the deduction will be determined per episode and the limit referred to in the previous paragraph will be **10 million euros for each episode produced**.

In the case of a co-production, the amounts indicated above will be determined, **for each co-producer**, based on their respective **percentage of participation** in that production.

Remember: *The maximum amount of the deduction may not exceed 20 million euros, except in the case of audiovisual series, which will be 10 million euros for each episode produced.*

- **For the funder:** Although the amount of the deduction may be determined under the same conditions as would have been applied to the producer, provided that it was generated by the latter, the maximum amount of the deduction **will be the result of multiplying by 1.20 the amount of the sums that** has contributed to finance the aforementioned production costs and the expenses for obtaining copies, advertising and promotion at the expense of the producer.

The excess deduction may be applied by the producer who has generated the right to it.

If, after the completion of the work, certain circumstances arise that imply a reduction of the deduction, in order for the use of the deduction to occur, firstly, at the headquarters of the taxpayer who participated in the financing, the deduction that had been applied by the producer must be reduced, if applicable, until it is cancelled and, in the event that there is a deduction that should be reduced, the deduction that had been

transferred to the taxpayer who participated in the financing will be reduced by the corresponding part. In the event that the entire deduction of article 36.1 of the LIS, generated by the producer, had been transferred to the taxpayer who participated in the financing, the reduction of the deduction will be applied to the latter.

Note: *In the case of the financier, he may apply the deduction provided for in section 1 of article 36 of the LIS when he contributes amounts intended to finance all or part of the production costs, as well as the expenses for obtaining copies, advertising and promotion at the producer's expense up to the limit of 30% of the production costs.*

Requirements

To apply the deduction established in this section, the following requirements must be met:

1. That the production obtains the corresponding certificate of nationality and the certificate that accredits the cultural character in relation to its content, its connection with the Spanish cultural reality or its contribution to the enrichment of the cultural diversity of the cinematographic works that are exhibited in Spain, issued by the Institute of Cinematography and Audiovisual Arts, or by the corresponding body of the Autonomous Community with competence in the matter.

Regarding the certificate of nationality, see article 5 of Royal Decree 1084/2015, of December 4, in development of the provisions of article 5 of Law 55/2007, on Cinema.

These certificates will be binding on the competent tax authority in matters of accreditation and application of the above tax incentives and identification of the beneficiary producer, regardless of the time of issue thereof.

2. That a new and perfect copy of the production be delivered to the Spanish Film Library or the film library officially recognized by the respective Autonomous Community.

In short:

Deduction percentage	Deduction base	Maximum amount
30%	(+) Total cost of production together with costs of obtaining copies, advertising and promotion costs to be borne by the producer up to a limit of 40% of the cost of production.	In general: €20 million for each production made.
Up to €1 million of the deduction base		For audiovisual series: €10 million for each episode produced
25%	In the case of the financier, production costs and expenses for obtaining copies, advertising and promotion are borne by the producer up to a limit of 30% of production costs.	In addition, in the case of the financier, the result of multiplying by 1.20 the amount of the sums that it has contributed to finance the production costs or the expenses for obtaining copies, advertising and promotion at the expense of the product.
On the excess of 1 million €		Without exceeding the limits indicated below

Deduction percentage	Deduction base	Maximum amount
	At least 50% of this base must correspond to expenses incurred in Spanish territory. (-) Amount of subsidies received to finance investments that generate the right to deduction.	

Limits

a. **General limit:** The amount of this deduction, together with the rest of the aid received by the taxpayer, may not exceed **50% of the cost of production** .

b. Increased limits

However, this limit is raised to:

- The **85 percent** for short films.
- **80 percent** for productions directed by a person who has not directed or co-directed more than two feature films qualified for commercial exploitation in cinema exhibition halls, whose production budget does not exceed 1,500,000 euros.
- **80 percent** in the case of productions shot entirely in one of the co-official languages other than Spanish that are screened in Spain in said co-official language or with subtitles.
- **80%** in the case of productions directed exclusively by persons with a degree of disability equal to or greater than 33% recognized by the competent body.
- **75 percent** in the case of productions made exclusively by female directors.
- **75%** in the case of productions with special cultural and artistic value that require exceptional financing support according to the criteria established by Ministerial Order or in the corresponding calls for aid.
- The **75 percent** in the case of documentaries.
- **75%** in the case of animated works whose production budget does not exceed 2,500,000 euros.
- **60%** in the case of cross-border productions financed by more than one Member State of the European Union and involving producers from more than one Member State.
- **60 percent** in the case of international co-productions with Latin American countries.

Tax period in which the deduction is applied

The deduction will be generated **in each tax period** for the production cost incurred in the same, although it will be applied from the tax period in which the production of the work ends.

In the specific case where the investment in a Spanish production is through the production of a fiction, animation or documentary series, the deduction can be applied from the tax period in which the series season ends.

However, in the case of **animation productions**, the deduction will be applied from the tax period in which the nationality certificate indicated in letter a') of article 36.1 of the LIS is obtained.

Note: *The application of the deduction by the taxpayer who participates in the financing will be incompatible, totally or partially, with the deduction to which the producer would be entitled.*

B. Deduction for foreign film productions in Spain (art. 36.2 LIS)

Note: *It should be noted that, in accordance with the provisions of Article 68.2 of the Law of IRPFABBRPersonal income tax (IRPF) taxpayers who carry out economic activities can apply this deduction under article 36.2 of LIS, with exception of the provisions of paragraph 3 of Article 39 of the LIS, That is, no they will be able toIn case of insufficient funds, request payment from the Administration under the terms determined by the LIS.*

Producers registered in the Administrative Registry of Cinematographic Companies and Audiovisual Companies of the Institute of Cinematography and Audiovisual Arts that are responsible for the execution of a foreign production of cinematographic feature films or audiovisual works that allow the preparation of a physical support prior to serial industrial production, they will be entitled to a deduction for **expenses incurred in Spanish territory**.

Regarding the definition of foreign production of feature films or audiovisual works, see article 4 of Law 55/2007, of December 28, on Cinema (BOE December 29).

Deduction base and maximum base

Regulations: see also art. 45 Regulation IS

a. Deduction base

The basis for the deduction is made up of the following expenses incurred in Spanish territory directly related to production:

- The expenses of creative personnel, as long as they have tax residence in Spain or in a Member State of the European Economic Area

- Expenses deriving from the use of technical industries and other suppliers.

In the specific case of an audiovisual work delivered in episodes (for example, a television series), the determination of the basis for the deduction, the amount of the deduction, as well as the maximum amount of said deduction will be determined for each of the episodes that comprise it.

Consequently, the basis for the deduction for each of the chapters will be the direct expenses incurred in the execution of each chapter, which correspond to creative personnel expenses and expenses derived from the use of technical industries and other suppliers, provided that said expenses were incurred in Spanish territory. With respect to those expenses that, while meeting the above requirements, are common to several episodes, they must be attributed to each episode using a reasonable allocation criterion.

Note: Only productions with a minimum cost of 2 million euros generate the right to this deduction. In the case of an episodic work, the minimum cost will be the cost for all the episodes that make up the work, including costs incurred both in Spain and abroad.

b. **Maximum deduction base:** 80 percent of the total production cost

Deduction percentages and maximum deduction amount

The amount of the deduction will be:

a. In general

- From **30 percent** with respect to the first million of the deduction base.
- From **25 percent** on the excess of said amount.

The deduction will be applied provided that such expenses incurred in Spanish territory are at least **1 million euros** . However, in the case of animation productions, the amount of such expenses is set at least at **200,000 euros** .

Maximum amount:

- The amount of this deduction may not exceed **20 million euros** , for each production carried out.
- In the case of audiovisual series, the deduction will be determined per episode and the limit referred to in the previous paragraph will be 10 million euros for each episode produced.

Likewise, article 36.2 of the LIS also establishes that the amount of this deduction, together with the rest of the aid received by the taxpayer, **may not exceed 50% of the cost of production** .

Remember: The maximum deduction for each production is 20 million euros, except in the case of audiovisual series, which will be 10 million euros for each episode produced.

b. When the producer is responsible for the execution of visual effects services and the expenses incurred in Spanish territory are less than 1 million euros: of 30 per 100 of the deduction base.

The amount of this deduction may not exceed the amount established by the Regulation (EU) Commission Regulation (EU) 2023/2831 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to aid from "*minimis*".

In short:

Deduction percentage	Deduction base	Maximum amount
30%	The following expenses incurred in Spanish territory directly related to production: - Expenses for creative staff, provided that they have tax residence in Spain or in a member state of the European Economic Area. - Expenses deriving from the use of technical industries and other suppliers. Maximum base: 80% of the total production cost.	- In general: €20 million for each production made. - For audiovisual series €10 million for each episode produced. Without exceeding together with the rest of the aid received by the taxpayer, 50% of the production cost. Requirement: The deduction will be applied provided that the expenses incurred in Spanish territory are at least €1 million. However, in the case of animation productions, the amount of such expenses is set at least at €200,000.
Up to €1 million of deduction base. 25% On the excess of 1 million €.		
30% When the producer is responsible for the execution of visual effects services and the expenses incurred in Spanish territory are less than €1 million.	Expenses incurred in Spanish territory directly related to production: - The expenses of creative personnel, as long as they have tax residence in Spain or in a Member State of the EEA. - Expenses deriving from the use of technical industries and other suppliers. Maximum base: 80% of the total production cost.	It cannot exceed the amount established for the aid. <i>de minimis</i> Regulation (EU) 2023/2831. Currently the amount is €300,000 during any three-year fiscal period.

Requirements

To apply the deduction, it will be necessary to meet the following requirements:

a') That the production obtains the corresponding certificate that accredits the cultural character in relation to its content or its connection with the Spanish or European cultural reality, issued by the Institute of Cinematography and Audiovisual Arts, or by the corresponding body of the Autonomous Community with competence in the matter.

Note: *it is not necessary to obtain the certificate referred to in this letter a') for the application of the deduction of 30% of the deduction base, applicable when the producer is responsible for the execution of visual effects services and the expenses incurred in Spanish territory are less than 1 million euros of article 36.2.b) LIS .*

b') That a specific reference to having benefited from the tax incentive be incorporated into the final credit titles of the production; the collaboration, where appropriate, of the Government of Spain, the Autonomous Communities, the Film Commissions or the Film Offices that have been directly involved in the filming or other production processes carried out in Spain, as well as, where appropriate, the specific filming locations in Spain and, in the case of animated audiovisual works, the location of the studio that has been commissioned to provide the production service.

c') That the rights holders authorize the use of the title of the work and of graphic and audiovisual press material that expressly includes specific filming locations or any other production process carried out in Spain, for the realization of activities and the preparation of promotional materials in Spain and abroad for cultural or tourist purposes, which may be carried out by state, autonomous or local entities with powers in matters of culture, tourism and economy, as well as by the Film Commissions or Film Offices that have intervened in the filming or production.

Note: *the requirements established in letters b') and c') are not applicable in the case of foreign productions of feature films and audiovisual works in which the contract by which the execution of the production was commissioned had been signed prior to July 11, 2021 , by application of the provisions of the forty-second transitional provision of the LIS .*

Limits

This deduction is **excluded from the joint limit** (25/50 percent) **provided for in article 39.1 LIS** for deductions to encourage the performance of certain activities and, therefore, this deduction for expenses related to the execution of a foreign production is not included in the calculation of said limit.

Finally, please note that, in the event of insufficient quota when applying this deduction under Article 36.2 of the LIS, the possibility of being able to request payment from the Administration, which is granted in article 39.3 of the LIS, **not applicable to IRPFABBR**, in accordance with the provisions of Article 68.2 of the Law of IRPFABBR.

Tax period in which the deduction is applied

The right to apply the deduction will be generated **in the tax period in which, once production has been completed, each and every one of the requirements set out are met**, although it will be applied in the tax period in which the executive production in Spain of the foreign work ends.

Particular case: delivery of completed work units

Article 1,592 of the Civil Code states, "Anyone who undertakes to carry out a work piecemeal or by measurement may require the owner to receive it in parts and pay for it proportionally. The satisfied part is presumed to be approved and received."

Based on the above, whenever the contractual conditions establish that the work certifications imply the delivery of the executed work units, said certifications will determine the availability of that work unit. This being so, the taxpayer may apply the aforementioned deduction for the expenses incurred in each tax period in which the partial delivery of the executed work units occurs, provided that said expenses are justified with the corresponding work certification, taking into account the wording of article 36.2 of the LIS in force on the date on which each of the indicated tax periods concludes. All of this is without prejudice to the fact that the limits established in said provision will be determined based on the total amount of production carried out in Spain.

C. Deduction for production of certain live shows (art. 36.3 LIS)

Beneficiaries of the deduction

Regulations: see also art. 39.7 LIS

- a. **Producers:** taxpayers who produce and exhibit certain live performing arts and musical shows.
- b. **Funders:** Since January 1, 2021, entrepreneurs or professionals who participate in the financing of the production and exhibition of live performing arts and musical shows are allowed to apply this deduction, under the same conditions as the producers who generate the right to it, when the following circumstances occur:
 - Provide amounts in the form of financing, to cover all or part of the direct artistic and technical costs of production, as well as advertising and promotion costs to be paid by the producer up to a limit of 30% of production costs.

Time when financing must be provided:

- The **amounts intended to finance production costs** may be contributed at any stage of production, prior to or after the moment in which the producer incurs the aforementioned production costs until obtaining the certificate referred to in letter a) of section 3 of article 36 of the LIS .
 - The **amounts intended to finance expenses for obtaining copies, advertising and promotion by the producer** may be contributed before or after the moment in which the producer incurs the aforementioned expenses, but never after the tax period in which the producer incurs them.
- Do not acquire **intellectual property rights or any other rights in respect of the results of production**, which shall in all cases remain the property of the producer.

- **They are not linked** , in the sense of article 18 of the LIS , with the taxpayer who generates the right to the deduction (the producer).

Important : *the producer and the taxpayers participating in the financing (**financiers**) of the production must sign one or more financing contracts, which may be signed at any stage of production, being necessary that both **communicate** to the Tax Administration prior to the end of the tax period in which the latter (producer) has the right to apply the deduction this circumstance, providing both the signed financing contract and the certifications of compliance with the requirements demanded in article 36.3 for the application of the deduction.*

To carry out this communication regulated in art. 39.7 LIS management has been created "[Submission of communication regulated by art. 39.7 LIS](#)" on the electronic headquarters of the State Tax Administration Agency.

Percentage of deduction

Expenses incurred in the production and exhibition of live performing arts and musical shows will be subject to a deduction of **20 percent** .

Deduction base

The basis for the deduction will be the **direct costs of an artistic, technical and promotional nature** incurred in the aforementioned activities.

In accordance with the above, expenses such as: those corresponding to the copyright generated with each show in **live** ; other expenses directly related to each of the **shows in live** , such as sound equipment, assembly and disassembly technicians or the depreciation of assets directly related to the production of theatrical and musical works; expenses corresponding to payroll or social security expenses of **theater's technical staff and advertising or promotion expenses for each live show** by the taxpayer.

However, commissions paid to sales channels for ticket management are not considered direct artistic, technical or promotional costs; rental costs of the premises where the exhibition is held; the costs of cleaning, repairs and maintenance of the premises; other expenses such as taxes (IAE , IBI , municipal taxes), insurance contracted (civil liability insurance, building insurance), supplies (water, electricity, telephone and internet of the premises) or the expenses of personnel who are not directly involved in the theatrical work (ticket sellers and room staff).

This basis of this deduction **will be reduced** by the amount of the **subsidies received** to finance the expenses that generate the right to it.

Maximum deduction amount

- **For the producer:** The deduction generated in each tax period may not exceed the amount of **500,000 euros per taxpayer and period** .
- **For the funder:** Although the amount of the deduction can be determined under the same conditions as those applied to the producer, provided that they have been generated by the latter, the maximum amount of the deduction will be the result of multiplying by 1.20

the amount of the amounts that have been contributed to finance the production costs and the advertising and promotion expenses borne by the producer.

The excess deduction may be applied by the producer who has generated the right to it.

Remember: *In the case of the financier, the deduction provided for in section 3 of article 36 of the LIS may be applied when it contributes amounts intended to finance all or part of the production costs, as well as the expenses for obtaining copies, advertising and promotion borne by the producer up to the limit of 30% of the production costs.*

In short:

Percentage of deduction	Deduction base	Maximum amount
20% of the deduction base	(+) Direct costs of an artistic, technical and promotional nature incurred. In the case of the financier, the production costs and expenses directly related to the advertising and promotion of the aforementioned performances shall be borne by the producer up to a limit of 30% of the production costs. (-) Amount of subsidies received to finance expenses that generate the right to deduction	500,000 euros per taxpayer Without the amount of the deduction, together with the subsidies received by the taxpayer, exceeding 80% of the expenses In the case of the financier, with the above limits, the maximum amount will be the result of multiplying by 1.20 the amount of the sums that it has contributed to finance the production costs, as well as the advertising and promotion expenses borne by the producer.

Requirements

The requirements necessary for the application of the deduction are:

- a. The taxpayer must have a certificate to prove this, under the terms established by Ministerial Order, issued by the National Institute of Performing Arts and Music.

See in this regard Order ECD/2836/2015, of December 18, regulating the procedure for obtaining the certificate from the National Institute of Performing Arts and Music, provided for in LIS .

- b. That, of the benefits obtained in the development of these activities in the year in which the right to the deduction is generated, the taxpayer allocates at least **50 percent** to carrying out activities that give the right to apply the deduction provided for in this section.

The profit obtained, subject to reinvestment, is understood to be that derived from income directly related to the production and exhibition of the live show (ticket sales, excluding sales of drinks, merchandising products, etc .).

The deadline for compliance with the obligation of this letter b. It will be the period between the beginning of the fiscal year in which the aforementioned benefits were obtained and **the 4 years following** the end of said fiscal year.

Limit

The amount of the deduction, together with any subsidies received by the taxpayer, may not exceed of said expenses.

Tax period in which the deduction is applied

The deduction **cannot be applied until you obtain the required certificate from the National Institute of Performing Arts and Music** .

Once **is obtained**, the deduction will be applied for the expenses incurred in each tax period in the production and exhibition of live performing arts and music shows.

Note: *The application of the deduction by the taxpayer participating in the financing will be incompatible, in whole or in part, with the deduction to which the producer would be entitled.*

Deduction for investment of profits (previous art. 37 TRLIS)

The twenty-fourth transitional provision of the LIS , establishes in its section 5 that *“The income subject to **the deduction for investment of profits provided for in article 37 of the consolidated text of the Corporate Tax Law** , as worded in force in tax periods beginning before January 1, 2015, shall be governed by the provisions therein and in its implementing regulations, even when the investment and the other requirements occur in tax periods beginning on or after January 1, 2015”*.

Regarding the LIS see Law 27/2014, of November 27, on Corporate Tax.

For these purposes, the aforementioned article 37 TRLIS **indicated in its section 2 that** : *“The investment in assets related to economic activities must be made within the period between the beginning of the tax period in which the profits to be invested are obtained and the following two years or, exceptionally, in accordance with a special investment plan approved by the tax authorities at the proposal of the taxpayer”, and in its section 3 that* *“The deduction will be applied to the entire amount corresponding to the tax period in which the investment is made”*.

According to the above, for 2025 the net income from economic activities of the 2014 tax period that, in the year 2025, is invested in new tangible fixed assets or real estate investments, exceptionally, in accordance with a **special investment plan approved by the Tax Administration at the proposal** of the taxpayer, may give rise to the application of the investment deduction of article 37 of the consolidated text of the Corporate Income Tax Law, with the special provisions established for this deduction by article 68.2 of the Law of IRPFABBR, in its wording in force as of December 31, 2014, if they meet the conditions and requirements that were required therein.

Note: However, please note that the wording of Article 68.2.b) of the Law on IRPFABBR which regulates the deduction for investment in new tangible fixed assets and real estate investments that came into force on January 1, 2015 affects the income obtained from that date onwards that is invested between the beginning of the tax period in which the income subject to investment is obtained and the following tax period.

Incompatibility

This deduction is **incompatible** with the application of freedom of amortization, with the deduction for investments in the Canary Islands and with the reserve for investments in the Canary Islands.

Article 38 LIS "Deduction for job creation for workers with disabilities"

Article 38 of the LIS includes the **deduction for job creation for workers with disabilities** .

The possibility of making a deduction for each person/year of in the average number of disabled workers hired by the taxpayer during the tax period compared to the average number of disabled workers in the immediately preceding period is foreseen.

Deductible amounts

This deduction determines the following deductible amounts depending on the degree of disability of the workers:

- **9,000 euros** for each person/year of increase in the average number of workers with disabilities equal to or greater than 33% and less than 65%, hired by the experienced taxpayer during the tax period, compared to the average number of workers of the same nature in the immediately preceding period.
- **12,000 euros** for each person/year increase in the average number of employees, under the same conditions, if the degree of disability is equal to or greater than 65%.

Attention : Article 38 of the LIS establishes two different amounts to be deducted depending on the degree of disability of the workers (equal to or greater than 33% and less than 65% and, on the other hand, equal to or greater than 65%) so to apply the deduction the increase in the average number of workers with disabilities to a certain degree experienced during the tax period will be taken into account, compared to the average number of workers of the same nature in the immediately preceding period.

Incompatibility

Furthermore, the **incompatibility** is maintained in the calculation of contracted workers between this deduction and the application of the [freedom of amortization with job creation](#) established for small entities established in article 102 of LIS . See Chapter 7 for more information.

Article 38 ter LIS "Deduction for business contributions to corporate social security systems"

Note: Article 38 ter of the LIS was added by the Fifth Final Provision of Law 12/2022, of June 30, regulating the promotion of occupational pension plans, which modifies the consolidated text of the Law on the Regulation of Pension Plans and Funds, approved by Royal Legislative Decree 1/2002, of November 29 (BOE of July 1).

For taxpayers of IRPFABBR, Additional Provision Three of Royal Decree-Law 13/2022, of July 26, which establishes a new contribution system for self-employed workers and improves protection for cessation of activity (BOE of July 27), specified that, with effect from July 1 From January 2023, self-employed workers with employees will be able to claim this deduction under the terms and conditions set out in Article 68.2 of the Law on IRPFABBR.

Requirements for applying the deduction

Taxpayers may apply this deduction when the following requirements are met:

- Having made business contributions to social security systems imputed in favor of their employees.
- Such business contributions in favour of these workers must be made specifically to one of the following social security systems:
 - Employment pension plans
 - Corporate social security plans
 - Pension plans regulated by Directive (EU) 2016/2341 of the European Parliament and of the Council of 14 December 2016 on the activities and supervision of pension funds employment
 - Mutual benefit societies that act as a social benefit instrument of which the taxpayer is the promoter ##

See Chapter 13 for the section on “ [Reductions for contributions and contributions to social security systems](#) ”.

Amount of deduction

To determine the total deductible amount, a distinction must be made between:

- Business contributions imputed in favour of workers with gross annual salaries of less than 27,000 euros: In this case, a deduction of 10% of such contributions may be made.

- Business contributions imputed in favour of workers with gross annual salaries equal to or greater than 27,000 euros: In this case, the deduction to be applied will be the result of applying the percentage of 10% on the proportional part of the imputed business contributions that correspond to the amount of the gross annual remuneration mentioned in the previous point.

Example

Mr. JMAZ develops an economic activity whose net income is determined by the direct estimation method.

It has a staff of 4 employees. One of them receives a gross annual salary of 41,800 euros and the other three receive gross annual salaries of less than 27,000 euros.

During 2025, it contributed the following amounts to an employment pension plan for the benefit of its employees (which have been attributed to them as income from work in kind):

- The worker with a gross annual salary of 41,800 euros: 2,500 euros
- Workers with gross annual salaries of less than 27,000 euros: 2,000 euros (each)

Determine the amount of the deduction for business contributions to company social security systems that would correspond to applying in the 2025 financial year.

Solution :

- For workers with gross annual wages of less than 27,000 euros

10% on (2,000 € annual contribution x 3 workers) = 600 euros

- For the worker with a gross annual salary of 41,800 euros

10% s/ $[(27,000 \div 41,800) \times 2,500 \text{ annual contribution}] = 161.48 \text{ euros}$

Total to deduct (600 + 161.48) = 761.48

Article 39.1 LIS (Joint limit)

Regulations: Art. 69.2 Law IRPFABBR and 39.1 and 7. LIS

The deduction limits provided for in Article 39.1 of the LIS are applied in the IRPFABBR on the fee resulting from reducing the sum of the full state and regional fees (boxes **[0545]** and **[0546]** of the declaration), in the total amount of deductions for investment in main residence (in the case of taxpayers to whom the transitional regime of this deduction applies), for investment in new or recently created companies, provided for in article 68.1 of the Law of IRPFABBR, and for actions for the protection and dissemination of Spanish Historical Heritage and World Heritage (Σ boxes **[0547]** and **[0548]**; boxes **[0549]**; **[0550]** and **[0551]**, respectively).

In relation to these limits, article 39.1 of the LIS establishes that the amount of the deductions to encourage the performance of certain activities (excluding the deduction for expenses of execution of a foreign production of feature films or audiovisual works referred to in article 36.2 of the LIS which is not subject to these limits), applied in the tax period, **may not jointly exceed 25 percent** of the quota defined above.

However, this limit is raised **50 percent** when the amount of the deductions provided for in the **Articles 35** (deductions for research and development activities and technological innovation) **and 36.1 and 36.3 of the LIS** (deductions for investments in film productions, Spanish audiovisual series and live performing arts and musical shows), corresponding to expenses and investments made in the tax period itself, **exceeds 10 percent** of the previously defined quota (that is, the total full quota of the IRPF, reduced by the deductions for protection and dissemination of the Spanish Historical Heritage and the World Heritage and for investments in main residence and in newly or recently created companies).

Note: The amount of the deduction applied by the taxpayer participating in the financing (financier) must be taken into account for the purposes of applying the joint limit of 25%. However, this limit will be raised to 50% when the amount of the deduction provided for in sections 1 and 3 of article 36 of the LIS, which corresponds to the taxpayer who participates in the financing, is equal to or greater than 25% of the quota referred to at the beginning of this section. $[(\sum \text{boxes [0545] and [0546]}) - (\sum \text{boxes [0547] and [0548] ; boxes [0549] ; [0550] and [0551]})]$. See Article 39.7 of the LIS and 69 of the Law of IRPFABBR.

When there are outstanding balances from deductions from previous years, the applicable limit (25 percent or 50 percent) **It will be applied jointly to the deductions for the 2025 fiscal year and to outstanding balances from previous fiscal years..**

Note: for the purposes of calculating this joint limit (25% or 50%) the deduction for foreign film productions in Spain provided for in article 36.2 of the LIS will not be computed).

3. Special deduction regimes (Support programs for events of exceptional public interest)

3.1. General regulation and limits

Regulations: Art. 27 Law 49/2002, of December 23, on the tax regime of non-profit entities and tax incentives for patronage (BOE of December 24).

Delimitation of an event of exceptional public interest

Article 27.1 of Law 49/2002 defines the **support programs for events of exceptional public interest** as " the set of specific tax incentives applicable to the actions carried out to ensure the proper development of the events that, where appropriate, are determined by Law."

Percentage and deduction base

For its part, Article 27.2.d) and 3 of Law 49/2002 establishes as a tax benefit for taxpayers of IRPFABBR who carry out economic activities under the direct estimation system the possibility of **deduct up to 15 percent of the expenses from the full tax liability that**, in compliance with the plans and programs of activities established by the consortium or by the corresponding administrative body, **carry out in the propaganda and advertising of multi-year projection** that directly serve to promote the respective event.

For these purposes, expenses for advertising and publicity with a multi-year projection are considered to meet the requirements indicated when they meet the conditions referred to in section 1 of article 8 of Royal Decree 1270/2003, of October 10, which approves the Regulation for the application of the tax regime for non-profit entities and tax incentives for patronage.

Note: For these purposes, please note:

- The Resolution of January 25, 2018, of the General Directorate of Taxes, which approves the Manual of application of the tax benefits corresponding to the expenses of propaganda and advertising of multi-year projection, which serve to promote events of exceptional public interest (BOE of February 2) contains the applicable rules and,
- Resolution of June 9, 2022, of the General Directorate of Taxes, which interprets the criteria of the Manual for the application of the tax benefits provided for in the first section of article 27.3 of Law 49/2002, of December 23, on the tax regime of non-profit entities and tax incentives for patronage, corresponding to advertising and publicity expenses of multi-year projection, which serve to promote events of exceptional public interest, approved by the Resolution of January 25, 2018 (BOE of June 11).

When the content of the advertising medium essentially refers to the dissemination of the event, **the basis for the deduction** will be the **total amount of the expense incurred** . **Otherwise** , the deduction base will be **25 percent of said expense** .

Limits

a. Joint limit on deductions to encourage the performance of certain activities

This deduction will be computed **jointly** with the deductions regulated in articles 35, 36, 38 and 38 ter of the LIS , for the purposes of the limits established in article 39.1 of the LIS .

These limits for the set of deductions provided for in Article 39.1 of the LIS are applied in the IRPFABBR on the fee resulting from reducing the sum of the full state and regional fees (boxes[0545]and[0546]of the declaration), in the total amount of deductions for investment in main residence (in the case of taxpayers to whom the transitional regime of this deduction applies), for investment in newly created or recently created companies, provided for in article 68.1 of the Law of IRPFABBR, and for actions for the protection and dissemination of Spanish Historical Heritage and World Heritage (Σ boxes [0547]and[0548]; [0549]; [0550] and [0551])).

In relation to these limits, article 39.1 of the LIS establishes that the amount of the deductions (excluding the deduction for expenses related to the execution of a foreign production of feature films or audiovisual works referred to in article 36.2 of the LIS which is not subject to these limits), applied in the tax period, **may not jointly exceed 25% of the previously defined quota**.

However, that limit **is increased to 50 percent when the amount of the deductions provided for in articles 35 and 36.1 36.3 of the LIS** (the latter from January 1, 2021), corresponding to expenses and investments made in the tax period itself, **exceeds 10 percent of the total tax amount**, reduced by deductions for protection and dissemination of Spanish Historical Heritage and World Heritage and for investments in main residence and in newly or recently created companies.

When there are outstanding balances of deductions from previous years, the applicable limit (25 percent or 50 percent) will be applied jointly to the deductions for the 2025 fiscal year and to the outstanding balances from previous years.

b. Additional limit

As regards the limits of the deduction, in addition to the general one referred to in the previous section, the amount of this deduction is subject to another additional one which consists in that **cannot exceed 90% of the donations made to the consortium, publicly owned entities or entities** referred to in article 2 of Law 49/2002, of December 23, in charge of carrying out programs and activities related to the event throughout the duration of the program.

If the deduction examined in this section is applied for expenses linked to events of exceptional public interest, the donations referred to in the previous paragraph will not be eligible for any of the tax incentives provided for in the aforementioned Law 49/2002.

3.2. Expenses incurred during the year linked to events of exceptional public interest

Table of special deduction regimes (Events of exceptional public interest in force during the year)

Special deduction regimes

Events of exceptional public interest	% deduction	Joint limit
"Opera Promotion Plan on Teatro Real Street"	15 percent	25/50 per 100
"Bicentennial of the National Police"	15 percent	25/50 per 100

Events of exceptional public interest	% deduction	Joint limit
"Santiago Ramón y Cajal Research Year 2022"	15 percent	25/50 per 100
"Lebaniego Jubilee Year 2023-2024"	15 percent	25/50 per 100
"Caravaca de la Cruz 2024. "Jubilee Year"	15 percent	25/50 per 100
"Inauguration of the Royal Collections Gallery"	15 percent	25/50 per 100
60th Anniversary of the Porta Ferrada Festival	15 percent	25/50 per 100
"ON A GOOD PLAN" Program	15 percent	25/50 per 100
Ryder Cup 2031	15 percent	25/50 per 100
"Barcelona Open-Conde de Godó Trophy"	15 percent	25/50 per 100
"125th anniversary of the Royal Tennis Club of Barcelona"	15 percent	25/50 per 100
"750th anniversary of the Consolat del Mar"	15 percent	25/50 per 100
"Congress of the International Union of Architects"	15 percent	25/50 per 100
"Sónar International Festival of Music, Creativity and Technology"	15 percent	25/50 per 100
"XXXVII Copa América Barcelona"	15 percent	25/50 per 100
"Sports program "CHALLENGE OF"	15 percent	25/50 per

Events of exceptional public interest	% deduction	Joint limit
		100
"Barcelona Music Lab. The Future of Music"	15 percent	25/50 per 100
"Primavera Sound, created in Barcelona"	15 percent	25/50 per 100
"Tàpies Year. One hundred years since the birth of the artist Antoni Tàpies (1923 – 2012)"	15 percent	25/50 per 100
"Eduardo Chillida 100 years"	15 percent	25/50 per 100
"Eighth Centenary of the Gothic Cathedral of Toledo, Primate of Spain"	15 percent	25/50 per 100
"Holy Year of St. James 2027"	15 percent	25/50 per 100
"Centenary of the Generation of '27"	15 percent	25/50 per 100
"Classical music for everyone"	15 percent	25/50 per 100
"150th anniversary of the birth of Pau Casals"	15 percent	25/50 per 100
"Petit Liceu"	15 percent	25/50 per 100
"Joan Miró Foundation 50th anniversary"	15 percent	25/50 per 100
"Gaudí Centenary 2026"	15 percent	25/50 per 100
"Fiftieth anniversary of the Teatre Lliure"	15 percent	25/50 per 100

Events of exceptional public interest	% deduction	Joint limit
"Twentieth anniversary of the Bilbao BBK Live Festival"	15 percent	25/50 per 100
"75th edition of the Granada Music and Dance Festival"	15 percent	25/50 per 100
"150th anniversary of the birth of Manuel de Falla"	15 percent	25/50 per 100
"Dansàneu, Festival of Cultures of the Pyrenees"	15 percent	25/50 per 100
"San Diego Comic-Con Malaga"	15 percent	25/50 per 100
"Preparation program for Spanish athletes for the Los Angeles 2028 Games"	15 percent	25/50 per 100
"Universe Woman IV"	15 percent	25/50 per 100
"Spanish Motorcycle Grand Prix"	15 percent	25/50 per 100
"Inclusive Sport III"	15 percent	25/50 per 100
"Plan 2030 for Supporting Grassroots Sport II"	15 percent	25/50 per 100
"Ironman Calella-Barcelona"	15 percent	25/50 per 100
"Barcelona Mobile World Capital"	15 percent	25/50 per 100
"Barcelona 2026 World Capital of Architecture"	15 percent	25/50 per 100
"Canary Islands Rally"	15 percent	25/50 per

Events of exceptional public interest	% deduction	Joint limit
		100

Note: Investments made during the year by entities under income attribution regime (civil companies that are not taxpayers of Corporate Tax, unclaimed inheritances, community property,) that determine their net returns by direct estimation, in any of its two modalities, may be subject to deduction by each of the partners, heirs, co-owners or participants in proportion to their participation in the entity's results.

Specific regulation of each event

With the aim of encouraging Private participation in the celebration of certain events of exceptional public interest, in the 2025 financial year, may be eligible for the special regimes of deductions and expenses made in said financial year that are linked to the following events:

- **“Plan for the Promotion of Opera in the Streets of the Royal Theatre”** established, for the artistic seasons 2020/2021, 2021/2022 and 2022/2023, in the Fifth Additional Provision of Royal Decree-Law 17/2020, of May 5, which approves support measures for the cultural sector and tax measures to address the economic and social impact of Covid-2019 (BOE of May 6), and, for the artistic seasons 2023/2024, 2024/2025 and 2025/2026, by the Fifty-eighth Additional Provision of Law 31/2022, of December 23, on the General State Budget for the year 2023 (BOE December 24).
- **“Bicentennial of the National Police”** established by the Fifty-ninth Additional Provision of Law 22/2021, of December 28, on the General State Budget for the year 2022 (BOE of December 29).
- **“Santiago Ramón y Cajal Research Year 2022”**, established by the Sixty-ninth Additional Provision of Law 22/2021, of December 28, on the General State Budget for the year 2022 (BOE of December 29).
- **“Lebaniego Jubilee Year 2023-2024”**, established by the Seventieth Additional Provision of Law 22/2021, of December 28, on the General State Budget for the year 2022 (BOE of December 29).
- **“Caravaca de la Cruz 2024. Jubilee Year”**, established by the Seventy-third Additional Provision of Law 22/2021, of December 28, on the General State Budget for the year 2022 (BOE of December 29).
- **“Inauguration of the Royal Collections Gallery”** established by the fifty-ninth Additional Provision of Law 31/2022, of December 23, on the General State Budget for the year 2023 (BOE December 24).
- **“60th anniversary of the Porta Ferrada Festival”** established by the sixty-second Additional Provision of Law 31/2022, of December 23, on the General State Budget for the year 2023 (BOE December 24).
- **“Program ON THE ERD PLAN”** established by the sixty-third Additional Provision of Law 31/2022, of December 23, on the General State Budget for the year 2023 (BOE December 24).

- **“Ryder Cup 2031”** established by the sixty-fifth Additional Provision of Law 31/2022, of December 23, on the General State Budget for the year 2023 (BOE December 24).
- **“Open Barcelona-Conde de Godó Trophy”** established by the Sixty-sixth Additional Provision of Law 31/2022, of December 23, on the General State Budget for the year 2023 (BOE December 24).
- **“125th anniversary of the Royal Tennis Club of Barcelona”** established by the Sixty-sixth Additional Provision of Law 31/2022, of December 23, on the General State Budget for the year 2023 (BOE December 24).
- **“750th anniversary of the Consolat del Mar”** established by the sixty-seventh Additional Provision of Law 31/2022, of December 23, on the General State Budget for the year 2023 (BOE December 24).
- **“Congress of the International Union of Architects”** established by the sixty-eighth Additional Provision of Law 31/2022, of December 23, on the General State Budget for the year 2023 (BOE December 24).
- **“Sónar International Festival of Music, Creativity and Technology”** established by the sixty-ninth Additional Provision of Law 31/2022, of December 23, on the General State Budget for the year 2023 (BOE December 24).
- **“XXXVII Copa América Barcelona”** established by the Fourth Additional Provision of Law 26/2022, of December 19, which modifies Law 38/2015, of September 29, of the railway sector (BOE of December 20), and its specific tax regime by the Thirty-sixth Final Provision of Law 31/2022, of December 23, on the General State Budget for the year 2023 (BOE December 24).
- **sports program “CHALLENGE OF”** established by the Eighteenth Additional Provision of Law 39/2022, of December 30, on Sport (BOE December 31).
- **“Barcelona Music Lab. The Future of Music”** established by Article 1 of Royal Decree-Law 8/2025, of July 8, which declares various initiatives and programs as events of exceptional public interest (BOE July 9).
- **“Primavera Sound, created in Barcelona”** established by Article 1 of Royal Decree-Law 8/2025, of July 8, which declares various initiatives and programs as events of exceptional public interest (BOE July 9).
- **“Tàpies Year. One hundred years since the birth of the artist Antoni Tàpies (1923 – 2012)”** established by Article 1 of Royal Decree-Law 8/2025, of July 8, which declares various initiatives and programs as events of exceptional public interest (BOE July 9).
- **“Eduardo Chillida 100 years”** established by Article 1 of Royal Decree-Law 8/2025, of July 8, which declares various initiatives and programs as events of exceptional public interest (BOE July 9).
- **“Eighth Centenary of the Gothic Cathedral of Toledo, Primate of Spain”** established by Article 1 of Royal Decree-Law 8/2025, of July 8, which declares various initiatives and programs as events of exceptional public interest (BOE July 9).
- **“Holy Year of St. James 2027”** established by Article 1 of Royal Decree-Law 8/2025, of July 8, which declares various initiatives and programs as events of exceptional public interest (BOE July 9).
- **“Centenary of the Generation of '27”** established by Article 1 of Royal Decree-Law 8/2025, of July 8, which declares various initiatives and programs as events of exceptional public interest (Official State Gazette of July 9).
- **“Classical music for everyone”** established by Article 1 of Royal Decree-Law 8/2025, of July 8, which declares various initiatives and programs as events of exceptional public interest (BOE July 9).
- **“150th anniversary of the birth of Pau Casals”** established by Article 1 of Royal

Decree-Law 8/2025, of July 8, which declares various initiatives and programs as events of exceptional public interest (BOE July 9).

- **"Petit Liceu"** established by Article 1 of Royal Decree-Law 8/2025, of July 8, which declares various initiatives and programs as events of exceptional public interest (BOE July 9).
- **"Joan Miró Foundation 50th anniversary"** established by Article 1 of Royal Decree-Law 8/2025, of July 8, which declares various initiatives and programs as events of exceptional public interest (BOE July 9th)
- **"Gaudí Centenary 2026"** established by Article 1 of Royal Decree-Law 8/2025, of July 8, which declares various initiatives and programs as events of exceptional public interest (BOE July 9).
- **"fiftieth anniversary of the Teatre Lliure"** established by Article 1 of Royal Decree-Law 8/2025, of July 8, which declares various initiatives and programs as events of exceptional public interest (BOE July 9).
- **"twentieth anniversary of the Bilbao BBK Live Festival"** established by Article 1 of Royal Decree-Law 8/2025, of July 8, which declares various initiatives and programs as events of exceptional public interest (BOE July 9).
- **"75th edition of the Granada Music and Dance Festival"** established by Article 1 of Royal Decree-Law 8/2025, of July 8, which declares various initiatives and programs as events of exceptional public interest (BOE July 9).
- **"150th anniversary of the birth of Manuel de Falla"** established by Article 1 of Royal Decree-Law 8/2025, of July 8, which declares various initiatives and programs as events of exceptional public interest (BOE July 9).
- **"Dansàneu, Festival of Cultures of the Pyrenees"** established by Article 1 of Royal Decree-Law 8/2025, of July 8, which declares various initiatives and programs as events of exceptional public interest (BOE July 9).
- **"San Diego Comic-Con Malaga"** established by Article 1 of Royal Decree-Law 8/2025, of July 8, which declares various initiatives and programs as events of exceptional public interest (BOE July 9).
- **"Preparation program for Spanish athletes for the Los Angeles 2028 Games"** established by Article 1 of Royal Decree-Law 8/2025, of July 8, which declares various initiatives and programs as events of exceptional public interest (BOE July 9).
- **"Universe Woman IV"** established by Article 1 of Royal Decree-Law 8/2025, of July 8, which declares various initiatives and programs as events of exceptional public interest (BOE July 9).
- **"Spanish Motorcycle Grand Prix"** established by Article 1 of Royal Decree-Law 8/2025, of July 8, which declares various initiatives and programs as events of exceptional public interest (BOE July 9).
- **"Inclusive Sport III"** established by Article 1 of Royal Decree-Law 8/2025, of July 8, which declares various initiatives and programs as events of exceptional public interest (BOE July 9).
- **"Plan 2030 for Supporting Grassroots Sport II"** established by Article 1 of Royal Decree-Law 8/2025, of July 8, which declares various initiatives and programs as events of exceptional public interest (BOE July 9).
- **"Ironman Calella-Barcelona"** established by Article 1 of Royal Decree-Law 8/2025, of July 8, which declares various initiatives and programs as events of exceptional public interest (BOE July 9).
- **"Barcelona Mobile World Capital"** established by Article 1 of Royal Decree-Law 8/2025, of July 8, which declares various initiatives and programs as events of exceptional public

interest (BOE July 9).

- **"Barcelona 2026 World Capital of Architecture"** established by Article 1 of Royal Decree-Law 8/2025, of July 8, which declares various initiatives and programs as events of exceptional public interest (BOE July 9).
- **"Canary Islands Rally"** established by Article 1 of Royal Decree-Law 8/2025, of July 8, which declares various initiatives and programs as events of exceptional public interest (BOE July 9).

Note: Certification of the adequacy of the expenses incurred to the objectives and plans of each of the aforementioned programs will be the responsibility of the respective consortium or administrative body, in accordance with the provisions of article 27.2. b) of Law 49/2002, of December 23, on the tax regime of non-profit entities and tax incentives for patronage (BOE of December 24).

3.3. Outstanding balances from support programs that ended before January 1, 2025

Note: Please note that the events "Plan for the Promotion of Opera in the Streets of the Royal Theatre", "Bicentennial of the National Police", "Santiago Ramón y Cajal Research Year 2022", "Lebaniego Jubilee Year 2023-2024", "Caravaca de la Cruz 2024. "Jubilee Year", "Inauguration of the Royal Collections Gallery", "60th Anniversary of the Porta Ferrada Festival", "EN PLAN BIEN Program", "Ryder Cup 2031", "Open Barcelona-Conde de Godó Trophy", "125th Anniversary of the Real Club de Tennis Barcelona", "750th Anniversary of the Consolat del Mar", "Congress of the International Union of Architects", "Sónar International Festival of Music, Creativity and Technology", "XXXVII America's Cup Barcelona", "RETO DE" Sports Program, began their validity in the 2020, 2022 and 2023 fiscal years, although they maintain the same validity in 2025, so that along with the deductions of expenses made in the 2025 fiscal year, there may be balances pending application from such regimes of previous years.

Amounts corresponding to expenses incurred related to events of exceptional public interest that cannot be deducted in the tax period may be applied in the settlements of the tax periods that conclude in the next 15 years and successively, and the calculation of the deadlines for the application of the deductions may be deferred in the terms provided for in article 39.1 of the LIS .

Regarding the LIS see Law 27/2014, of November 27, on Corporate Tax.

For this reason, despite its validity having ended before the beginning of the current fiscal year, the deduction corresponding to outstanding balances corresponding to, among others, the following special regimes is still applicable:

- **"Barcelona World Race"** established in the Sixteenth Additional Provision of Law 42/2006, of December 28, on the General State Budget for the year 2007 (BOE of December 29).
- **"33 Copa del América"** established in the Thirty-first Additional Provision of Law 51/2007, of December 26, on the General State Budget for the year 2008 (BOE of December 27).
- **"Guadalquivir River of History"** established in the Thirty-second Additional Provision of Law 51/2007, of

December 26, on the General State Budget for the year 2008 (BOE of December 27) and the Fifty-eighth Additional Provision of Law 26/2009, of December 23, on the General State Budget for the year 2010 (BOE of December 24).

- **“Commemoration of the Bicentennial of the Constitution of 1812”** established in the Fifty-ninth Additional Provision of Law 51/2007, of December 26, on the General State Budget for the year 2008 (BOE of December 27) and in the Eleventh Final Provision of Law 26/2009, of December 23, on the General State Budget for the year 2010 (BOE of December 24).
- **“London 2012”** established in the Fiftieth Additional Provision of Law 2/2008, of December 23, on the General State Budget for the year 2009 (BOE of December 24).
- **“Holy Year Xacobeo 2010”** established in the Fifty-first Additional Provision of Law 2/2008, of December 23, on the General State Budget for the year 2009 (BOE of December 24).
- **“IX Centenary of Santo Domingo de la Calzada and the Calceatense Jubilee Year”** established in the Fifty-second Additional Provision of Law 2/2008, of December 23, on the General State Budget for the year 2009 (BOE of December 24).
- **“Caravaca Jubilar 2010”** established in the Fifty-Third Additional Provision of Law 2/2008, of December 23, on the General State Budget for the year 2009 (BOE of December 24).
- **“International Year for Research on Alzheimer's and Related Neurodegenerative Diseases: Alzheimer International 2011”** established in the Fifty-fourth Additional Provision of Law 2/2008, of December 23, on the General State Budget for the year 2009 (BOE of December 24).
- **“Hernandian Year. Orihuela 2010”** established in the Fifty-fifth Additional Provision of Law 2/2008, of December 23, on the General State Budget for the year 2009 (BOE of December 24).
- **“Centenary of the Costa Brava”** established in the Fifty-sixth Additional Provision of Law 2/2008, of December 23, on the General State Budget for the year 2009 (BOE of December 24).
- **“Symposium Commemorating the 90th Anniversary of the 2009 Barcelona International Motor Show”** established in the First Final Provision of Law 4/2008, of December 23 (BOE of December 25).
- **“Misteri de Elx”** established in the Fifty-second Additional Provision of Law 26/2009, of December 23, on the General State Budget for the year 2010 (BOE of December 24).
- **“Guadalupe Jubilee Year 2010”** established in the Fifty-Third Additional Provision of Law 26/2009, of December 23, on the General State Budget for the year 2010 (BOE of December 24).
- **“World Youth Days 2011”** established in the Fifty-fourth Additional Provision of Law 26/2009, of December 23, on the General State Budget for the year 2010 (BOE of December 24).
- **“Commemoration of the Millennium of the founding of the Kingdom of Granada”**, established in the Fifty-ninth Additional Provision of Law 26/2009, of December 23, on the General State Budget for the year 2010 (BOE of December 24).
- **“Solar Decathlon Europe 2010 and 2012”** established in the Sixty-third Additional Provision of Law 26/2009, of December 23, on the General State Budget for the year 2010 (BOE of December 24).
- **“Vuelta al mundo a Vela, Alicante 2011”** established in the Sixty-fourth Additional Provision of Law 26/2009, of December 23, on the General State Budget for the year 2010 (BOE of December 24), with the modification introduced by the Third Additional Provision of Law 31/2011, of October 4 (BOE of October 5).
- **“Google Lunar X Prize”** established in the Sixty-seventh Additional Provision of Law 26/2009, of December 23, on the General State Budget for the year 2010 (BOE of December 24).
- **Fifth centenary of the birth in Trujillo of Francisco de Orellana, discoverer of the Amazon “2011: ORELLANA YEAR”** established in the Fiftieth Additional Provision of Law 39/2010, of December 22, on the General State Budget for the year 2011 (BOE of December 23).
- **World Basketball Championship for National Teams in the Absolute Category “Mundobasket 2014”**, established in the Fifty-first Additional Provision of Law 39/2010, of December 22, on the General State Budget for the year 2011 (BOE of December 23).
- **“2013 Men's Absolute World Handball Championship”**, established in the Fifty-second Additional Provision of Law 39/2010, of December 22, on the General State Budget for the year 2011 (BOE of December 23).
- **“Tricentennial of the National Library of Spain”** established in the Fifty-third Additional Provision of Law 39/2010, of December 22, on the General State Budget for the year 2011 (BOE of December 23).
- **“4th Centenary of the death of the painter Doménico Theotocópuli, known as El Greco”**, established in the Fifty-fourth Additional Provision of Law 39/2010, of December 22, on the General State Budget for the year 2011 (BOE of 23) and in the Sixty-second Additional Provision of Law 22/2013, of December 23, on the General State Budget for the year 2014 (BOE of December 26).
- **“800th Anniversary of the Cathedral of Santiago de Compostela”** established in the Fifty-sixth Additional Provision of Law 39/2010, of December 22, on the General State Budget for the year 2011 (BOE of December 23) and in the Sixty-sixth Additional Provision of Law 2/2012, of June 29, on the General State Budget for the year 2012 (BOE of June 30).
- **“Vitoria-Gasteiz European Green Capital 2012”**, established in the Fifty-first Additional Provision of Law 2/2012, of June 29, on the General State Budget for the year 2012 (BOE of June 30).

- **“ World Sailing Championship (ISAF) Santander 2014”** , established in the Fifty-second Additional Provision of Law 2/2012, of June 29, on the General State Budget for the year 2012 (BOE of June 30).
- **“The Tree is Life”** , established in the Fifty-Third Additional Provision of Law 2/2012, of June 29, on the General State Budget for the year 2012 (BOE of June 30).
- **IV Centenary of the relations between Spain and Japan through the program of activities of the “Year of Spain in Japan”** , established in the Fifty-fourth Additional Provision of Law 2/2012, of June 29, of the General State Budget for the year 2012 (BOE of June 30).
- **“Young Heritage and 4th Ibero-American Youth Forum on World Heritage”** , established in the Fifty-sixth Additional Provision of Law 2/2012, of June 29, on the General State Budget for the year 2012 (BOE of June 30).
- **“Granada Winter Universiade 2015 Program”** , established in the Fifty-seventh Additional Provision of Law 2/2012, of June 29, on the General State Budget for the year 2012 (BOE of June 30), amended by the Eighteenth Final Provision of Law 36/2014, of December 26, on the General State Budget for the year 2015 (BOE of December 30).
- **“2014 Ponferrada Road Cycling World Championship”** , established in the Fifty-eighth Additional Provision of Law 2/2012, of June 29, on the General State Budget for the year 2012 (BOE of June 30), amended by the Second Final Provision of Law 13/2014, of July 14, on the transformation of the Fund for the Financing of Payments to Suppliers (BOE of July 15).
- **“Creation of the UNESCO Category 2 Centre in Spain, dedicated to Rock Art and World Heritage”** established in the Fifty-ninth Additional Provision of Law 2/2012, of June 29, on the General State Budget for the year 2012 (BOE of June 30).
- **“Barcelona World Jumping Challenge”** , established in the Sixtieth Additional Provision of Law 2/2012, of June 29, on the General State Budget for the year 2012 (BOE of June 30).
- **“Barcelona 2013 World Swimming Championship”** , established in the Sixty-first Additional Provision of Law 2/2012, of June 29, on the General State Budget for the year 2012 (BOE of June 30).
- **“40th anniversary of the World Heritage Convention (Paris, 1972)”** established in the Sixty-fourth Additional Provision of Law 2/2012, of June 29, on the General State Budget for the year 2012 (BOE of June 30).
- **Olympic Shooting World Championship “Las Gabias 2014”** , established in the Sixty-fifth Additional Provision of Law 2/2012, of June 29, on the General State Budget for the year 2012 (BOE of June 30).
- **“500 years of Papal Bull”** , established in the Sixty-seventh Additional Provision of Law 2/2012, of June 29, on the General State Budget for the year 2012 (BOE of June 30).
- **“2012 Year of Culture, Peace and Freedom”** established in the Sixty-eighth Additional Provision of Law 2/2012, of June 29, on the General State Budget for the year 2012 (BOE of June 30).
- **“Year of Neuroscience”** established in the Sixty-ninth Additional Provision of Law 2/2012, of June 29, on the General State Budget for the year 2012 (BOE of June 30).
- **“Commemorating the 8th Centenary of the Battle of Las Navas de Tolosa (1212) and the 5th Centenary of the conquest, annexation and incorporation of Navarre into the Kingdom of Castile (1512)”** established in the Seventy-sixth Additional Provision of Law 2/2012, of June 29, on the General State Budget for the year 2012 (BOE of June 30).
- **“Marian Holy Jubilee Year 2012-2013 in Almonte (Huelva)”** , established in the Seventy-eighth Additional Provision of Law 2/2012, of June 29, on the General State Budget for the year 2012 (BOE of June 30).
- **“2014 International Year of the Mediterranean Diet”** , established in the Eightieth Additional Provision of Law 2/2012, of June 29, on the General State Budget for the year 2012 (BOE of June 30).
- **“Madrid 2020 Candidacy”** , established in the Seventeenth Additional Provision of Royal Decree-Law 20/2012, of July 13, on measures to guarantee budgetary stability and promote competitiveness (BOE of July 14).
- **“3rd edition of the Barcelona World Race”** , established in the Fifty-seventh Additional Provision of Law 17/2012, of December 27, on the General State Budget for the year 2013 (BOE of December 28).
- **Preparation programme for Spanish athletes for the “Rio de Janeiro 2016” games** , established in the Fifty-eighth Additional Provision of Law 17/2012, of December 27, on the General State Budget for the year 2013 (BOE of December 28).
- **Acts of celebration of the “800th Anniversary of the Pilgrimage of Saint Francis of Assisi to Santiago de Compostela (1214-2014)”** , established in the Fifty-ninth Additional Provision of Law 17/2012, of December 27, on the General State Budget for the year 2013 (BOE of December 28).
- **“5th Centenary of the Birth of Saint Teresa to be celebrated in 2015”** , established in the Sixtieth Additional Provision of Law 17/2012, of December 27, on the General State Budget for the year 2013 (BOE of December 28).
- **“Junípero Serra Year 2013”** , established in the Sixty-first Additional Provision of Law 17/2012, of December 27, on the General State Budget for the year 2013 (BOE of December 28).
- **Round the world sailing trip “Alicante 2014”** , established in the Sixty-second Additional Provision of Law 17/2012, of December 27, on the General State Budget for the year 2013 (BOE of December 28).
- **“Marian Holy Jubilee Year 2013-2014 in the Royal Illustrious and Fervent Brotherhood and Confraternity**

of Nazarenes of Our Lady of the Rosary, Our Father Jesus of the Sentence and Mary Most Holy of Hope Macarena in the city of Seville”, established in the Sixty-third Additional Provision of Law 17/2012, of December 27, on the General State Budget for the year 2013 (BOE of December 28).

- **“Donostia/San Sebastián, European Capital of Culture 2016”** established in the Fifty-second Additional Provision of Law 22/2013, of December 23, on the General State Budget for the year 2014 (BOE of December 26).
- **“Expo Milan 2015”** established in the Fifty-Third Additional Provision of Law 22/2013, of December 23, on the General State Budget for the year 2014 (BOE of December 26).
- **“2014 World Climbing Championship, Gijón”** established in the Fifty-fourth Additional Provision of Law 22/2013, of December 23, on the General State Budget for the year 2014 (BOE of December 26).
- **“Reus 2014 World Artistic Skating Championship”**, established in the Fifty-fifth Additional Provision of Law 22/2013, of December 23, on the General State Budget for the year 2014 (BOE of December 26).
- **“Madrid Horse Week”** established in the Fifty-sixth Additional Provision of Law 22/2013, of December 23, on the General State Budget for the year 2014 (BOE of December 26).
- **“III Centenary of the Royal Spanish Academy”** established in the Fifty-seventh Additional Provision of Law 22/2013, of December 23, on the General State Budget for the year 2014 (BOE of December 26).
- **“A Coruña 2015 - 120 years later”** established in the Fifty-eighth Additional Provision of Law 22/2013, of December 23, on the General State Budget for the year 2014 (BOE of December 26), amended by the Ninth Additional Provision of Royal Decree-Law 8/2014, of July 4, approving urgent measures for growth, competitiveness and efficiency (BOE of July 5).
- **“IV Centenary of the second part of Don Quixote”** established in the Fifty-ninth Additional Provision of Law 22/2013, of December 23, on the General State Budget for the year 2014 (BOE of December 26).
- **“World Challenge LFP/85th Anniversary of the League”** established in the Sixtieth Additional Provision of Law 22/2013, of December 23, on the General State Budget for the year 2014 (BOE of December 26).
- **“2018 Mediterranean Games”**, established in the Sixty-first Additional Provision of Law 22/2013, of December 23, on the General State Budget for the year 2014 (BOE of December 26) and modified by the Twenty-fifth Final Provision of Law 3/2017, of June 27, on the General State Budget for the year 2017 (BOE of June 28).
- **“Sixtieth Edition of the Mérida International Classical Theatre Festival”**, established in the Sixty-third Additional Provision of Law 22/2013, of December 23, on the General State Budget for the year 2014 (BOE of December 26).
- **“Year of Biotechnology in Spain”** established in the Sixty-fourth Additional Provision of Law 22/2013, of December 23, on the General State Budget for the year 2014 (BOE of December 26).
- **“Master Plan for the recovery of the Cultural Heritage of Lorca”**, established in the Thirteenth Additional Provision of Law 18/2014, of October 15, approving urgent measures for growth, competitiveness and efficiency. (BOE of October 17).
- **“200th Anniversary of the Teatro Real and the Twentieth Anniversary of the reopening of the Teatro Real”**, established in the Fifty-Third Additional Provision of Law 36/2014, of December 26, on the General State Budget for the year 2015 (BOE of December 30) and modified by the Twenty-Ninth Final Provision of Law 3/2017, of June 27, on the General State Budget for the year 2017 (BOE of June 28).
- **“4th Centenary of the death of Miguel de Cervantes”**, established in the Fifty-fourth Additional Provision of Law 36/2014, of December 26, on the General State Budget for the year 2015 (BOE of December 30).
- **“800th Anniversary of the University of Salamanca”**, established in the Fifty-fifth Additional Provision of Law 36/2014, of December 26, on the General State Budget for the year 2015 (BOE of December 30) and amended by the Thirty-fourth Final Provision. Two of Law 6/2018, of July 3, on the General State Budget for the year 2018 (BOE of July 4).
- **“Jerez, World Capital of Motorcycling” Program**, established in the Fifty-sixth Additional Provision of Law 36/2014, of December 26, on the General State Budget for the year 2015 (BOE of December 30).
- **“Cantabria 2017, Liébana Jubilee Year”**, established in the Fifty-seventh Additional Provision of Law 36/2014, of December 26, on the General State Budget for the year 2015 (BOE of December 30) and modified by the Thirty-fourth Final Provision. Three of Law 6/2018, of July 3, on the General State Budget for the year 2018 (BOE of July 4).
- **“Universo Mujer Program”**, established in the fifty-eighth Additional Provision of Law 36/2014, of December 26, on the General State Budget for the year 2015 (BOE of December 30) and modified by the twenty-ninth Final Provision of Law 3/2017, of June 27, on the General State Budget for the year 2017 (BOE of June 28).
- **“60th Anniversary of the Founding of the School of Industrial Organization”**, established in the Fifty-ninth Additional Provision of Law 36/2014, of December 26, on the General State Budget for the year 2015 (BOE of December 30) and modified by the Twenty-ninth Final Provision of Law 3/2017, of June 27, on the General State Budget for the year 2017 (BOE of June 28).
- **“World Meeting in Las Estrellas (EME) 2017”**, established in the Sixtieth Additional Provision of Law 36/2014, of December 26, on the General State Budget for the year 2015 (BOE of December 30).
- **“International Year of Light and Light-Based Technologies”**, established in the Sixty-second Additional

Provision of Law 36/2014, of December 26, on the General State Budget for the year 2015 (BOE of December 30).

- **“ORC Barcelona World Championship 2015”** , established in the Sixty-third Additional Provision of Law 36/2014, of December 26, on the General State Budget for the year 2015 (BOE of December 30).
- **“Barcelona Equestrian Challenge”** , established in the Sixty-fourth Additional Provision of Law 36/2014, of December 26, on the General State Budget for the year 2015 (BOE of December 30).
- **“Women’s Hockey World League Round 3 Events 2015”** , established in the Sixty-fifth Additional Provision of Law 36/2014, of December 26, on the General State Budget for the year 2015 (BOE of December 30).
- **“Centenary of the Royal Andalusian Football Federation 2015”** , established in the Sixty-eighth Additional Provision of Law 36/2014, of December 26, on the General State Budget for the year 2015 (BOE of December 30).
- **“Barcelona Mobile World Capital”**, established by the Sixty-first Additional Provision of Law 36/2014, of December 26, on the General State Budget for the year 2015 (BOE of December 30)
- **“Ibero-American Forum of Cities”** , established in the Fifty-first Additional Provision of Law 48/2015, of October 29, on the General State Budget for the year 2016 (BOE of October 30).
- **“Second Centenary of the Museo Nacional del Prado”** , established in the Forty-ninth Additional Provision of Law 48/2015, of October 29, on the General State Budget for the year 2016 (BOE of October 30).
- **“20th Anniversary of the Reopening of the Gran Teatro del Liceu in Barcelona and the bicentennial of the creation of the Societat dAccionistes”** , established in the Fiftieth Additional Provision of Law 48/2015, of October 29, on the General State Budget for the year 2016 (BOE of October 30) and modified by the Forty-first Final Provision. One of Law 6/2018, of July 3, on the General State Budget for the year 2018 (BOE of July 4).
- **“Málaga Decade Plan for Innovative Culture 2025”**, established in the Fifty-second Additional Provision of Law 48/2015, of October 29, on the General State Budget for the year 2016 (BOE of October 30).
- **“20th Anniversary of the Declaration of Cuenca as a World Heritage City”** , established in the Fifty-Third Additional Provision of Law 48/2015, of October 29, on the General State Budget for the year 2016 (BOE of October 30) and modified by the Thirty-Third Final Provision of Law 3/2017, of June 27, on the General State Budget for the year 2017 (BOE of June 28).
- **“FIS Freestyle and Snowboard World Championships Sierra Nevada 2017”** , established in the Fifty-fourth Additional Provision of Law 48/2015, of October 29, on the General State Budget for the year 2016 (BOE of October 30).
- **“Twenty-fifth anniversary of the Thyssen-Bornemisza Museum”**, established in the Fifty-fifth Additional Provision of Law 48/2015, of October 29, on the General State Budget for the year 2016 (BOE of October 30).
- **“European Waterpolo Championship Barcelona 2018 ”**, established in the Fifty-sixth Additional Provision of Law 48/2015, of October 29, on the General State Budget for the year 2016 (BOE of October 30).
- **“Centenary of the birth of Camilo José Cela”**, established in the Fifty-seventh Additional Provision of Law 48/2015, of October 29, on the General State Budget for the year 2016 (BOE of October 30) and modified by the Thirty-third Final Provision of Law 3/2017, of June 27, on the General State Budget for the year 2017 (BOE of June 28).
- **“2017: Year of the retina in Spain”** , established in the Fifty-eighth Additional Provision of Law 48/2015, of October 29, on the General State Budget for the year 2016 (BOE of October 30).
- **“Caravaca de la Cruz 2017. Jubilee Year”**, established in the Fifty-ninth Additional Provision of Law 48/2015, of October 29, on the General State Budget for the year 2016 (BOE of October 30).
- **“2020 Grassroots Sport Support Plan”**, established in the Sixtieth Additional Provision of Law 48/2015, of October 29, on the General State Budget for the year 2016 (BOE of October 30).
- **“2150th anniversary of Numancia”** , established in the Sixty-first Additional Provision of Law 48/2015, of October 29, on the General State Budget for the year 2016 (BOE of October 30).
- **“500th Anniversary of the death of Ferdinand the Catholic”** , established in the Sixty-second Additional Provision of Law 48/2015, of October 29, on the General State Budget for the year 2016 (BOE of October 30).
- **“525th Anniversary of the Discovery of America in Palos de la Frontera (Huelva)”**, established in the Sixty-third Additional Provision of Law 48/2015, of October 29, on the General State Budget for the year 2016 (BOE of October 30).
- **“Obesity Prevention. Lighten your life”** , established in the Sixty-fourth Additional Provision of Law 48/2015, of October 29, on the General State Budget for the year 2016 (BOE of October 30) and modified by the Forty-first Final Provision. Two of Law 6/2018, of July 3, on the General State Budget for the year 2018 (BOE of July 4).
- **“75th Anniversary of William Martin; The English Legacy”**, established in the Sixty-fifth Additional Provision of Law 48/2015, of October 29, on the General State Budget for the year 2016 (BOE of October 30).
- **Event of the departure from the city of Alicante of the round the world sailing trip “Alicante 2017”**, established in the Sixty-sixth Additional Provision of Law 48/2015, of October 29, of the General State Budget for the year 2016 (BOE of October 30).
- **“Preparation programme for Spanish athletes for the Tokyo 2020 Games”** , established by the First Final Provision of Royal Decree-Law 3/2017, of February 17, which modifies Organic Law 3/2013, of June 20, on the

protection of athletes' health and the fight against doping in sports activities, and adapts to the modifications introduced by the World Anti-Doping Code of 2015 (BOE of February 18).

- **"25th Anniversary of Casa América"** , established in the Fifty-ninth Additional Provision of Law 3/2017, of June 27, on the General State Budget for the year 2017 (BOE of June 28).
- **"World Roller Games Barcelona 2019"** , established in the Sixty-first Additional Provision of Law 3/2017, of June 27, on the General State Budget for the year 2017 (BOE of June 28).
- **"Madrid Horse Week 17/19"** , established in the Sixty-second Additional Provision of Law 3/2017, of June 27, on the General State Budget for the year 2017 (BOE of June 28).
- **"The World Challenge League"** , established in the Sixty-third Additional Provision of Law 3/2017, of June 27, on the General State Budget for the year 2017 (BOE of June 28).
- **" Fifth Centenary of the first circumnavigation of the world by Ferdinand Magellan and Juan Sebastián Elcano"** , established in the Sixty-fourth Additional Provision of Law 3/2017, of June 27, on the General State Budget for the year 2017 (BOE of June 28) and modified by the Fourth Final Provision of Royal Decree-Law 17/2020, of May 5, which approves support measures for the cultural sector and of a tax nature to face the economic and social impact of Covid-2019 (BOE of May 6).
- **"25th anniversary of the declaration of Mérida as a World Heritage Site by UNESCO"** , established in the Sixty-fifth Additional Provision of Law 3/2017, of June 27, on the General State Budget for the year 2017 (BOE of June 28) and modified by the Forty-second Final Provision.Five of Law 6/2018, of July 3, on the General State Budget for the year 2018 (BOE of July 4).
- **"2019 Canoe World Championships"** , established in the Sixty-sixth Additional Provision of Law 3/2017, of June 27, on the General State Budget for the year 2017 (BOE of June 28).
- **"250th Anniversary of the 1767 Population Charter and Foundation of the New Populations of Sierra Morena and Andalusia"** , established in the Sixty-seventh Additional Provision of Law 3/2017, of June 27, on the General State Budget for the year 2017 (BOE of June 28).
- **"IV Centenary of the birth of Bartolomé Esteban Murillo"** , established in the Sixty-eighth Additional Provision of Law 3/2017, of June 27, on the General State Budget for the year 2017 (BOE of June 28).
- **"Numancia 2017"** , established in the Sixty-ninth Additional Provision of Law 3/2017, of June 27, on the General State Budget for the year 2017 (BOE of June 28).
- **"PHotoEspaña. 20th anniversary"** , established in the Seventieth Additional Provision of Law 3/2017, of June 27, on the General State Budget for the year 2017 (BOE of June 28).
- **"IV Centenary of the Plaza Mayor of Madrid"** , established in the Seventy-first Additional Provision of Law 3/2017, of June 27, of the General State Budget for the year 2017 (BOE of June 28)
- **"XXX Anniversary of the Declaration of Toledo as a World Heritage City"** , established in the Seventy-second Additional Provision of Law 3/2017, of June 27, on the General State Budget for the year 2017 (BOE of June 28).
- **"7th Centenary of the Archive of the Crown of Aragon"** , established in the Seventy-third Additional Provision of Law 3/2017, of June 27, on the General State Budget for the year 2017 (BOE of June 28).
- **"Lorca, Classroom of History"** , established in the Seventy-fourth Additional Provision of Law 3/2017, of June 27, on the General State Budget for the year 2017 (BOE of June 28).
- **"Reading Promotion Plan (2017-2020)"** , established in the Seventy-fifth Additional Provision of Law 3/2017, of June 27, on the General State Budget for the year 2017 (BOE of June 28).
- **"2020 Plan to Support New Film Creators and the Preservation and Dissemination of the History of Spanish Cinema"** , established in the Seventy-sixth Additional Provision of Law 3/2017, of June 27, on the General State Budget for the year 2017 (BOE of June 28).
- **"40th Anniversary of the Almagro International Classical Theatre Festival"** , established in the Seventy-seventh Additional Provision of Law 3/2017, of June 27, on the General State Budget for the year 2017 (BOE of June 28) and modified by the Forty-second Final Provision.Six of Law 6/2018, of July 3, on the General State Budget for the year 2018 (BOE of July 4).
- **"First Centenary of the National Parks Law of 1916"** , established in the Seventy-eighth Additional Provision of Law 3/2017, of June 27, on the General State Budget for the year 2017 (BOE of June 28).
- **Tax benefits applicable to the "I Centenary of the Ordesa and Monte Perdido National Park"** , established in the Seventy-ninth Additional Provision of Law 3/2017, of June 27, on the General State Budget for the year 2017 (BOE of June 28) and modified by the Forty-second Final Provision.Seven of Law 6/2018, of July 3, on the General State Budget for the year 2018 (BOE of July 4).
- **Tax benefits applicable to the "I Centenary of the Picos de Europa National Park"** , established in the Eightieth Additional Provision of Law 3/2017, of June 27, on the General State Budget for the year 2017 (BOE of June 28) and modified by the Forty-second Final Provision.Eight of Law 6/2018, of July 3, on the General State Budget for the year 2018 (BOE of July 4).
- **"75th Anniversary of the Diplomatic School"** , established in the Eighty-first Additional Provision of Law 3/2017, of June 27, on the General State Budget for the year 2017 (BOE of June 28).
- **"Teruel 2017. 800 Years of Lovers"** , established in the Eighty-second Additional Provision of Law 3/2017, of

June 27, on the General State Budget for the year 2017 (BOE of June 28).

- **"40th Anniversary of the Spanish Constitution"**, established in the Eighty-third Additional Provision of Law 3/2017, of June 27, on the General State Budget for the year 2017 (BOE of June 28).
- **"50th anniversary of Sitges-International Fantastic Film Festival of Catalonia"**, established in the Eighty-fourth Additional Provision of Law 3/2017, of June 27, on the General State Budget for the year 2017 (BOE of June 28).
- **"Tax benefits applicable to the 50th anniversary of the Autonomous University of Madrid"**, established in the Eighty-fifth Additional Provision of Law 3/2017, of June 27, on the General State Budget for the year 2017 (BOE of June 28).
- **"Hernandian Year 2017"**, established in the Eighty-sixth Additional Provision of Law 3/2017, of June 27, on the General State Budget for the year 2017 (BOE of June 28).
- **"50th Edition of the Barcelona International Jazz Festival"** established in the Seventy-second Additional Provision of Law 6/2018, of July 3, on the General State Budget for the year 2018 (BOE of July 4).
- **"Centenaries of the Royal Site of Covadonga"**, established in the Seventy-third Additional Provision of Law 6/2018, of July 3, on the General State Budget for the year 2018 (BOE of July 4).
- **"2019 Junior Men's Handball World Championship"** established in the Seventy-fourth Additional Provision of Law 6/2018, of July 3, on the General State Budget for the year 2018 (BOE of July 4).
- **"2021 Women's Handball World Championship"** established in the Seventy-fifth Additional Provision of Law 6/2018, of July 3, on the General State Budget for the year 2018 (BOE of July 4). Ç
- **"Andalucía Valderrama Masters"** established in the seventy-sixth Additional Provision of Law 6/2018, of July 3, on the General State Budget for the year 2018 (BOE of July 4) and modified by the Fifth Final Provision of Royal Decree-Law 17/2020, of May 5, which approves support measures for the cultural sector and tax measures to address the economic and social impact of Covid-2019 (BOE May 6).
- **"The Transition: 40 years of Freedom of Expression"** established in the Seventy-seventh Additional Provision of Law 6/2018, of July 3, on the General State Budget for the year 2018 (BOE of July 4).
- **"Ceuta and the Legion, 100 years of union"** established in the Seventy-ninth Additional Provision of Law 6/2018, of July 3, on the General State Budget for the year 2018 (BOE of July 4).
- **"Pontevedra 2019 Multisport Triathlon World Championship"** established in the Eightieth Additional Provision of Law 6/2018, of July 3, on the General State Budget for the year 2018 (BOE of July 4).
- **"Badminton World Tour"** established in the Eighty-first Additional Provision of Law 6/2018, of July 3, on the General State Budget for the year 2018 (BOE of July 4).
- **"New Goals"** established in the Eighty-second Additional Provision of Law 6/2018, of July 3, on the General State Budget for the year 2018 (BOE of July 4).
- **"Barcelona Equestrian Challenge (3rd Edition)"** established in the Eighty-third Additional Provision of Law 6/2018, of July 3, on the General State Budget for the year 2018 (BOE of July 4).
- **"Universe Woman II"** established in the Eighty-fourth Additional Provision of Law 6/2018, of July 3, on the General State Budget for the year 2018 (BOE of July 4).
- **"Logroño 2021, our Fifth Centenary"** established in the Eighty-fifth Additional Provision of Law 6/2018, of July 3, on the General State Budget for the year 2018 (BOE of July 4).
- **"Centenario Delibes"** established in the Eighty-sixth Additional Provision of Law 6/2018, of July 3, on the General State Budget for the year 2018 (BOE of July 4) and modified by the Fifth Final Provision of Royal Decree-Law 17/2020, of May 5, which approves support measures for the cultural sector and of a tax nature to face the economic and social impact of Covid-2019 (BOE of May 6).
- **"Jacobean Holy Year 2021"** established in the Eighty-seventh Additional Provision of Law 6/2018, of July 3, on the General State Budget for the year 2018 (BOE of July 4) and modified by the Fifth Final Provision of Royal Decree-Law 17/2020, of May 5, which approves support measures for the cultural sector and of a tax nature to face the economic and social impact of Covid-2019 (BOE of May 6).
- **"800th Anniversary of Burgos Cathedral 2021"** established in the Eighty-eighth Additional Provision of Law 6/2018, of July 3, on the General State Budget for the year 2018 (BOE of July 4) and modified by the Seventh Final Provision of Law 28/2022, of December 21, on the promotion of the ecosystem of emerging companies (BOE of December 22).
- **"Inclusive Sport"** established in the Eighty-ninth Additional Provision of Law 6/2018, of July 3, on the General State Budget for the year 2018 (BOE of July 4).
- **"2020 Grassroots Sports Support Plan II"**, established in the Ninetieth Additional Provision of Law 6/2018, of July 3, on the General State Budget for the year 2018 (BOE of July 4).
- **"Spain, Capital of Young Talent "** established in the Ninety-first Additional Provision of Law 6/2018, of July 3, on the General State Budget for the year 2018 (BOE of July 4).
- **"Commemoration of the Centenary of the Coronation of Our Lady of El Rocío (1919-2019)"** established in the Ninety-second Additional Provision of Law 6/2018, of July 3, on the General State Budget for the year 2018 (BOE of July 4).
- **"Transfer of the Image of Our Lady of El Rocío from the Village to the Town of Almonte"** established in the

Ninety-third Additional Provision of Law 6/2018, of July 3, on the General State Budget for the year 2018 (BOE of July 4).

- **"Camino Lebaniego"** established in the Ninety-fourth Additional Provision of Law 6/2018, of July 3, on the General State Budget for the year 2018 (BOE of July 4).
- **"European Year of Cultural Heritage (2018)"** established in the Ninety-fifth Additional Provision of Law 6/2018, of July 3, on the General State Budget for the year 2018 (BOE of July 4).
- **"Expo Dubai 2020"** established in the Ninety-sixth Additional Provision of Law 6/2018, of July 3, on the General State Budget for the year 2018 (BOE of July 4) and modified by the Fourteenth Final Provision of Royal Decree-Law 17/2020, of May 5, which approves support measures for the cultural sector and of a tax nature to face the economic and social impact of Covid-2019 (BOE of May 6).
- **"Neurodegenerative Diseases 2020. International Year of Research and Innovation"** established in the Ninety-seventh Additional Provision of Law 6/2018, of July 3, on the General State Budget for the year 2018 (BOE of July 4).
- **"Camino de la Cruz de Caravaca"** established in the Ninety-eighth Additional Provision of Law 6/2018, of July 3, on the General State Budget for the year 2018 (BOE of July 4).
- **XXV "Anniversary of the Declaration by UNESCO (United Nations Educational, Scientific and Cultural Organization) of the Royal Monastery of Santa María de Guadalupe as a World Heritage Site"** established in the Ninety-ninth Additional Provision of Law 6/2018, of July 3, on the General State Budget for the year 2018 (BOE of July 4).
- **"AUTOMOBILE BARCELONA 2019"** established in the One Hundredth Additional Provision of Law 6/2018, of July 3, on the General State Budget for the year 2018 (BOE of July 4) and modified by the Fifth Final Provision of Royal Decree-Law 17/2020, of May 5, which approves support measures for the cultural sector and of a tax nature to face the economic and social impact of Covid-2019 (BOE of May 6).
- **"Twenty-fifth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP25), fifteenth session of the Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (COP-MOP15) and second session of the Conference of the Parties serving as the Meeting of the Parties to the Paris Agreement (CMA2) and fifty-first meeting of the Subsidiary Bodies to the Convention, both the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Subsidiary Body for Implementation (SBI)"** established in article 1 of Royal Decree-Law 15/2019, of November 8, which adopts urgent measures for the organization in Spain of the XXV United Nations Conference on Climate Change (BOE of November 11).
- **Alicante 2021. "Around the World Sailing Trip"**, established in the Third Additional Provision of Royal Decree-Law 17/2020, of May 5, which approves support measures for the cultural sector and of a tax nature to face the economic and social impact of Covid-2019 (BOE of May 6) and modified by the Forty-Second Final Provision. One of Law 11/2020, of December 30, on the General State Budget for the year 2021 (BOE of December 31), and by the Eighth Final Provision of Law 28/2022, of December 21, on the promotion of the startup ecosystem (BOE of December 22).
- **Spain Guest Country of Honor at the Frankfurt Book Fair in 2022"** established in the fourth Additional Provision of Royal Decree-Law 17/2020, of May 5, which approves support measures for the cultural sector and of a tax nature to face the economic and social impact of Covid-2019 (BOE of May 6) and modified by the Forty-second Final Provision. Two of Law 11/2020, of December 30, on the General State Budget for the year 2021 (BOE of December 31).
- **"Plan for the Promotion of Opera on Teatro Real Street"**, established in the Fifth Additional Provision of Royal Decree-Law 17/2020, of May 5, which approves support measures for the cultural sector and of a tax nature to face the economic and social impact of Covid-2019 (BOE of May 6) and modified by the Fifty-eighth Additional Provision of Law 31/2022, of December 23, on the General State Budget for the year 2023. (BOE of December 24).
- **"175th Anniversary of the construction of the Gran Teatre del Liceu"**, established in the Sixth Additional Provision of Royal Decree-Law 17/2020, of May 5, which approves support measures for the cultural sector and of a tax nature to face the economic and social impact of Covid-2019 (BOE of May 6).
- **"The Time of Freedom. Comuneros Fifth Centenary"** established by the ninth Additional Provision of Royal Decree-Law 17/2020, of May 5, which approves support measures for the cultural sector and of a tax nature to face the economic and social impact of Covid-2019 (BOE of May 6). This ninth Additional Provision was added by the eleventh article of Law 14/2021, of October 11, which modifies Royal Decree-Law 17/2020, of May 5, which approves support measures for the cultural sector and of a tax nature to face the economic and social impact of Covid-2019 (BOE of October 13).
- **"Formula 1 Spanish Grand Prix"**, established by the Third Additional Provision of Royal Decree-Law 26/2020, of July 7, on economic reactivation measures to address the impact of COVID-19 in the areas of transport and housing.
- **"Bicentennials of the independence of the Ibero-American Republics"**, established by the Sixty-seventh Additional Provision of Law 11/2020, of December 30, on the General State Budget for the year 2021 (BOE of

December 31).

- **“150th Anniversary of the creation of the Spanish Academy in Rome”**, established by the Sixty-eighth Additional Provision of Law 11/2020, of December 30, on the General State Budget for the year 2021 (BOE of December 31).
- **“125th anniversary of the Madrid Press Association”** established by the Sixty-ninth Additional Provision of Law 11/2020, of December 30, on the General State Budget for the year 2021 (BOE of December 31).
- **Celebration of the “MADBLUE” Summit**, established by the Seventieth Additional Provision of Law 11/2020, of December 30, on the General State Budget for the year 2021 (BOE of December 31).
- **“30th Anniversary of the Reina Sofia School of Music”**, established by the Seventy-first Additional Provision of Law 11/2020, of December 30, on the General State Budget for the year 2021 (BOE of December 31).
- **“Holy Year of Guadalupe 2021”** established by the Seventy-second Additional Provision of Law 11/2020, of December 30, on the General State Budget for the year 2021 (BOE of December 31).
- **“Andalucía Valderrama Masters 2022/2024”** established by the seventy-third Additional Provision of Law 11/2020, of December 30, on the General State Budget for the year 2021 (BOEDecember 31).
- **“9th Centenary of the Reconquest of Sigüenza”** established by the seventy-eighth Additional Provision of Law 11/2020, of December 30, on the General State Budget for the year 2021 (BOEDecember 31).
- **“50th anniversary of the death of Clara Campoamor. 90 years since the beginning of a full democracy”** established by the Eighty-Third Additional Provision of Law 11/2020, of December 30, on the General State Budget for the year 2021 (BOEDecember 31).
- **“New Goals II”** established by the Eighty-Fifth Additional Provision of Law 11/2020, of December 30, on the General State Budget for the year 2021 (BOEDecember 31).
- **“Inclusive Sports Program II”** established by the ninety-fourth Additional Provision of Law 11/2020, of December 30, on the General State Budget for the year 2021 (BOEDecember 31).
- **“Plan 2030 to Support Grassroots Sport”** established by the sixty-first Additional Provision of Law 22/2021, of December 28, on the General State Budget for the year 2022 (BOEDecember 29).
- **“Universe Woman III”** established by the sixty-second Additional Provision of Law 22/2021, of December 28, on the General State Budget for the year 2022 (BOEDecember 29).
- **“Preparation program for Spanish athletes for the Paris 2024 Games”**, established by the sixty-third Additional Provision of Law 22/2021, of December 28, on the General State Budget for the year 2022 (BOEDecember 29).
- **“100 years since the death of Joaquín Sorolla”**, established by the sixty-fourth Additional Provision of Law 22/2021, of December 28, on the General State Budget for the year 2022 (BOEDecember 29).
- **“20th Anniversary of Primavera Sound”**, established by the sixty-fifth Additional Provision of Law 22/2021, of December 28, on the General State Budget for the year 2022 (BOEDecember 29).
- **“Centenary of the birth of Victoria de los Ángeles”**, established by the Sixty-sixth Additional Provision of Law 22/2021, of December 28, on the General State Budget for the year 2022 (BOEDecember 29).
- **“Commemoration of the 50th anniversary of the death of the Spanish artist Pablo Picasso”**, established by the sixty-seventh Additional Provision of Law 22/2021, of December 28, on the General State Budget for the year 2022 (BOEDecember 29).
- **“Everyone against cancer”**, established by the sixty-eighth Additional Provision of Law 22/2021, of December 28, on the General State Budget for the year 2022 (Official State Gazette of December 29).
- **“7th UNWTO World Conference on Wine Tourism 2023”**, established by the seventy-second Additional Provision of Law 22/2021, of December 28, on the General State Budget for the year 2022 (BOEDecember 29).
- **“Bicentennial of the Ateneo of Madrid”**, established by the seventy-fourth Additional Provision of Law 22/2021, of December 28, on the General State Budget for the year 2022 (BOEDecember 29).
- **“Barcelona Equestrian Challenge (4th Edition)”**, established by the seventy-fifth Additional Provision of Law 22/2021, of December 28, on the General State Budget for the year 2022 (BOEDecember 29).
- **“200th ANNIVERSARY OF PASSEIG DE GRÀCIA”** established by the seventy-sixth Additional Provision of Law 22/2021, of December 28, on the General State Budget for the year 2022 (BOEDecember 29).
- **“Reconstruction of the Historic Indoor Diving Pool of the Club Natació Barcelona (CNB)”**, established by the seventy-eighth Additional Provision of Law 22/2021, of December 28, on the General State Budget for the year 2022 (BOEDecember 29).
- **“ALIMENTARIA 2022”**, established by the seventy-ninth Additional Provision of Law 22/2021, of December 28, on the General State Budget for the year 2022 (BOEDecember 29).
- **“HOSTELCO 2022”**, established by the seventy-ninth Additional Provision of Law 22/2021, of December 28, on the General State Budget for the year 2022 (BOEDecember 29).
- **“Barcelona Music Lab. The future of music”**, established by the eightieth Additional Provision of Law 22/2021, of December 28, on the General State Budget for the year 2022 (BOEDecember 29).
- **“South Summit 2022-2024”** established by the Sixth Additional Provision of Decree-Law 10/2022, of May 13, which establishes on a temporary basis a mechanism for adjusting production costs to reduce the price of electricity in the wholesale market (BOE of May 14) and by the Eighth Additional Provision of Law 17/2022, of

September 5, which modifies Law 14/2011, of June 1, on Science, Technology and Innovation (BOE September 6).

- **“Davis Cup Madrid Tournament”**, established by the seventy-fourth Additional Provision of Law 11/2020, of December 30, on the General State Budget for the year 2021 (BOE of December 31) and modified by the thirty-first Final Provision of Law 22/2021, of December 28, on the General State Budget for the year 2022 (BOE of December 29).
- **“MADRID HORSE WEEK 21/23”**, established by the seventy-fifth Additional Provision of Law 11/2020, of December 30, on the General State Budget for the year 2021 (BOE of December 31).
- **“Centenary of Rugby in Spain and of the Unió Esportiva Santboiana”**, established by the Seventy-sixth Additional Provision of Law 11/2020, of December 30, on the General State Budget for the year 2021 (BOE of December 31).
- **“Solheim Cup 2023 ”**, established by the seventy-seventh Additional Provision of Law 11/2020, of December 30, on the General State Budget for the year 2021 (BOE of December 31).
- **“Barcelona Mobile World Capital”**, established by the Seventy-ninth Additional Provision of Law 11/2020, of December 30, on the General State Budget for the year 2021 (BOE of December 31).
- **“Valencia, World Design Capital 2022 / Valencia World Design Capital 2022”**, established by the Eightieth Additional Provision of Law 11/2020, of December 30, on the General State Budget for the year 2021 (BOE of December 31).
- **“Fiftieth anniversary of the National University of Distance Education (UNED)”** established by the Eighty-first Additional Provision of Law 11/2020, of December 30, on the General State Budget for the year 2021 (BOE of December 31).
- **“ Centenary of Revista de Occidente”**, established by the eighty-second Additional Provision of Law 11/2020, of December 30, on the General State Budget for the year 2021 (BOE of December 31).
- **5th Centenary of the death of Elio Antonio de Nebrija”**, established by the Eighty-fourth Additional Provision of Law 11/2020, of December 30, on the General State Budget for the year 2021 (BOE of December 31).
- **“250th anniversary of the National Museum of Natural Sciences (CSIC-MNCN)”** established by the Eighty-sixth Additional Provision of Law 11/2020, of December 30, on the General State Budget for the year 2021 (BOE of December 31).
- **“Andalusia European Region of Sport 2021”**, established by the eighty-seventh Additional Provision of Law 11/2020, of December 30, on the General State Budget for the year 2021 (BOE of December 31).
- **“75th Anniversary of the Opera in Oviedo”**, established by the Eighty-eighth Additional Provision of Law 11/2020, of December 30, on the General State Budget for the year 2021 (BOE of December 31).
- **Healthy Habits for Cardiovascular Risk Control “Learning to take care of ourselves”**, established by the Eighty-ninth Additional Provision of Law 11/2020, of December 30, on the General State Budget for the year 2021 (BOE of December 31).
- **“Badminton World Championships Spain”**, established by the Ninetieth Additional Provision of Law 11/2020, of December 30, on the General State Budget for the year 2021 (BOE of December 31).
- **“Centenary of the Battle of Covadonga-Cuadonga”**, established by the Ninety-first Additional Provision of Law 11/2020, of December 30, on the General State Budget for the year 2021 (BOE of December 31).
- **“7th Centenary of the Cathedral of Palencia 2021-2022”**, established by the Ninety-Second Additional Provision of Law 11/2020, of December 30, on the General State Budget for the year 2021 (BOE of December 31).
- **“FITUR special: tourism recovery”**, established by the Ninety-third Additional Provision of Law 11/2020, of December 30, on the General State Budget for the year 2021 (BOE of December 31).
- **“Valencia 2020-2021, Jubilee Year. Camino del Santo Cáliz”** established by the Ninety-fifth Additional Provision of Law 11/2020, of December 30, on the General State Budget for the year 2021 (BOE of December 31).
- **“Neurodegenerative Diseases. International Year of Research and Innovation. Period 2021-2022”** established by the Ninety-sixth Additional Provision of Law 11/2020, of December 30, on the General State Budget for the year 2021 (BOE of December 31).
- **“50th anniversary of the Sant Joan de Deu Hospital”**, established by the Ninety-seventh Additional Provision of Law 11/2020, of December 30, on the General State Budget for the year 2021 (BOE of December 31).
- **“Centenary of the Aragonese Football Federation”**, established by the Sixtieth Additional Provision of Law 22/2021, of December 28, on the General State Budget for the year 2022 (BOE of December 29).
- **“Voluntary World 2030/ 35th Anniversary of the Spanish Volunteering Platform”**, established by the seventy-first Additional Provision of Law 22/2021, of December 28, on the General State Budget for the year 2022 (BOE of December 29).
- **“Global Mobility Call-GCM”**. established by Additional Provision Five of Royal Decree-Law 3/2022, of 1 March, on measures to improve the sustainability of road freight transport and the functioning of the logistics chain, and by which Directive (EU) 2020/1057, of 15 July 2020, is transposed, establishing specific rules with regard to Directive 96/71/EC and Directive 2014/67/EU for the posting of drivers in the road transport sector, and

exceptional measures regarding price revision in public works contracts(BOE March 2nd).

- **Holy Jubilee Year of San Isidro Labrador**", established by the Twenty-ninth Additional Provision of Law 11/2022, of June 28, General Telecommunications (BOE of June 29).
- **"60th Anniversary of the Blendio Princesa de Asturias Rally, City of Oviedo**, established by the Sixty-first Additional Provision of Law 31/2022, of December 23, on the General State Budget for the year 2023. (BOE of December 24).
- **"125th anniversary of Athletic Club 1898-2023"**, established by the Sixty-fourth Additional Provision of Law 31/2022, of December 23, on the General State Budget for the year 2023. (BOE of December 24).
- **"Hockey Centenary 1923-2023"** established by the sixtieth Additional Provision of Law 31/2022, of December 23, on the General State Budget for the year 2023 (BOE December 24).
- **"Celebration of the Manifesta 15 Barcelona Biennial"**, established by the Fifteenth Additional Provision of Royal Decree-Law 1/2023, of January 10, on urgent measures regarding incentives for employment contracts and improvement of social protection for artists (BOE January 11).

Deduction for investment in new elements of tangible assets or real estate investments used for economic activities

Aspects to take into account for your application

Regulations: Art. 68.2.b) Law IRPFABBR

1. Taxpayers who can apply the deduction

This deduction can be applied by taxpayers of IRPFABBR that carry out economic activities and that meet the requirements to be considered as a small-sized entity, in the year in which the returns subject to investment are obtained.

See the [concept of small entity](#) discussed in Chapter 7.

2. Object and basis of the deduction

The following will entitle the holder to the deduction **net income from economic activities for the years 2024 or of the 2025 that are invested in 2025** in new elements of tangible fixed assets or real estate investments related to economic activities carried out by the taxpayer.

For these purposes, it is understood that the net income from economic activities of the tax period is subject to investment when an amount equivalent to the part of the positive general taxable base of the tax period that corresponds to such income is invested, without in any case the same amount being understood to be invested in more than one asset.

The basis for the deduction will be the amount invested, that is, the part of the positive general taxable base of the tax period corresponding to the net income from economic activities of the tax period subject to investment in new elements of tangible fixed assets or real estate investments.

3. Deadline for investment

The investment in assets related to economic activities must be made **in the tax period in which the returns subject to reinvestment are obtained or in the following tax period**.

The right to apply the deduction will occur in the tax period in which the investment is made, although it will be conditional on the allocation of the asset to economic activity within the investment period.

The investment will be deemed to have been made on the date on which the assets are made available, even in the case of assets that are the subject of financial leasing contracts referred to in section 1 of the Third Additional Provision of Law 10/2014, of June 26, on the regulation, supervision and solvency of credit institutions. However, in the latter case, the deduction will be conditional, in a resolutive manner, on the exercise of the purchase option.

Precision: Law 26/1988, of July 29, on discipline and intervention of credit institutions was repealed, with effect from June 28, 2014, by letter e) of the repealing provision of Law 10/2014, of June 26, on the regulation, supervision and solvency of credit institutions

The provision of assets must be understood as the availability of the thing that is the object of the contract, that is, the delivery of the same that constitutes the mode of acquisition of ownership by the purchaser.

The deduction will be applied to the **full installment corresponding to the tax period in which the investment** is made.

4. Percentage of deduction

- **5 per 100** , in general.
- **2.5 per 100** , in the following cases:

a) If in the year in which the reinvested returns were obtained the 20 percent reduction of the declared positive net return was applied, as provided for in article 32.3 of the Law of IRPFABBR for taxpayers who start an economic activity and determine the net income of the same according to the direct estimation method.

b) If the reinvested returns gave rise to the right to the deduction for income obtained in Ceuta or Melilla under Article 68.4 of the Law of IRPFABBR in the exercise in which they were obtained or gave rise to the right to the deduction for habitual and effective residence in the island of La Palma, provided for in the fifty-seventh Additional Provision of the Personal Income Tax Law.

The 5 percent rate will apply if the deduction for income obtained in Ceuta or Melilla was not applied in the tax year in which the reinvested income was obtained. or, where applicable, the deduction for income obtained on the island of La Palma, nor the reduction for start-up activity under article 32.3 of the Law IRPFABBR, although said deduction or reduction is applied in the following year (year of investment).

5. Limits

The amount of the deduction **may not exceed the sum of the full state and regional quota** of the tax period in which the net income from economic activities was obtained.

When the deduction is applied in 2025 as a result of investing the net returns obtained in 2024 and in this last period joint taxation has been chosen, the limit of the quota mentioned above will be that which corresponds to the taxpayer who makes the investment.

6. Permanence in the taxpayer's assets of assets subject to investment

The assets subject to investment must remain in operation in the taxpayer's assets, except in the case of justified loss, for a period of 5 years, or during their useful life if it is less.

The transfer of the assets subject to investment before the end of the required maintenance period will result in the loss of the deduction and, therefore, the amount of said deduction must be entered in the liquidation of the tax period in which the non-compliance occurs, together with the corresponding late payment interest.

However, the deduction will not be lost if the transfer of the assets subject to investment occurs before the end of the period indicated in the previous paragraph and the amount obtained or the net book value, if lower, is invested under the terms established to be entitled to this deduction.

In relation to this requirement, the entity has a period of two years from the beginning of the tax period in which the transfer occurs until the end of the following tax period to make the investment.

7. Incompatibility

This deduction is incompatible, in relation to the same assets, with the application of the freedom of amortization, with the deduction for investments regulated in article 94 of Law 20/1991, of June 7, modifying the fiscal aspects of the Economic Fiscal Regime of the Canary Islands, and with the reserve for investments in the Canary Islands regulated in article 27 of Law 19/1994, of July 6, modifying the Economic and Fiscal Regime of the Canary Islands.

Example: Deduction for investment in new elements of tangible assets or real estate investments used for economic activities

Mr. PHV is the owner of an economic activity whose net income is determined by the direct estimation method, normal mode.

During 2025 It meets the requirements to be considered a small-sized entity and obtains net income from the activity amounting to 45,000 euros, with the general taxable base for the year corresponding to that income being 43,200 euros and the sum of its full state and regional tax liability being 10,673 euros.

September 5th 2025 With the profits obtained during the year, he acquires new machinery for his company for an amount of 25,000 euros, which is delivered to him in November of that year.

Determine the amount of the investment deduction.

Solution:

Net income from economic activities for the year 2025: 45,000

Amount invested in 2025 (1) = 25,000

Deduction base (invested amount with the limit of 43,200) (2) = 25,000

Deduction amount: $(25,000 \times 5\%)$ (3) = 1,250

Maximum amount limit (sum of your full state and regional quota) = 10,673

Notes to the example:

- (1) The amount of net income from economic activities obtained in 2025 that are invested in new affected items will be recorded in the box **[0833]** of Annex A.5 of the declaration. [\(Back\)](#)
- (2) It is the amount eligible for deduction, limited to the positive general taxable base of 2025 that corresponds to such returns and will be entered in the box **[0834]** of Annex A.5 of the declaration. [\(Back\)](#)
- (3) The amount of the deduction does not exceed the sum of the total state and regional tax liability for the year 2025. Therefore, in this case, it will be entered in full in the box **[0835]** of Annex A.5 of the declaration. [\(Back\)](#)

Note: in it Annex A.5 of the declaration, will be recorded in the box **[0830]** the amount of net income from economic activities obtained in 2024 that are invested in 2025 in new affected elements and in the boxes **[0831]** and **[0832]** respectively, the amount eligible for deduction and the amount of the deduction. Similarly, when it comes to returns obtained in the 2025 that are invested in that same fiscal year in new affected items, their amount will be entered in the box **[0833]** and in the boxes **[0834]** and **[0835]** respectively, the amount eligible for deduction and the amount of the deduction.

Special regime for business investments in the Canary Islands

1. Deductions for investments in the Canary Islands

Table: Deduction for investments in the Canary Islands

Investments that remain in the Canary Islands, made by individuals who carry out economic activities in the Canary Islands and determine their returns by direct estimation, may be eligible for the General Deduction Regime provided for in the LIS with the specific percentages and limits indicated in the following table.

Note: Please note that although the new deduction for business contributions to corporate social security systems in article 38 ter of the LIS is included in this table, said deduction is applied in the Canary Islands without any special features with respect to the general regime.

Note: These deductions are incompatible with the deduction for investment in new elements of tangible fixed assets or real estate investments related to economic activities.

Types of investments		Percentage of deduction	Joint limit
For investments in research and development activities and technological innovation (art. 35 LIS):	In research and development (art. 35.1 LIS)	45/75.6/28 percent 37 percent (additional)	60% or 90%, generally for the Canary Islands
	In technological innovation	45 percent	

Types of investments		Percentage of deduction	Joint limit
	(art. 35.2 LIS)		70 percent or 100 percent (for the islands of La Palma, La Gomera and El Hierro) (1)
For investments in film productions, audiovisual series and live shows of performing and musical arts (art. 36 LIS):	In Spanish productions of feature films, short films and audiovisual series (art. 36.1 LIS)	54/45 percent	
	In foreign productions of feature films or audiovisual works - for execution costs incurred in Spanish territory - (art. 36.2 LIS)	54/45 percent (excluded from the joint limit)	
	In live shows of performing arts and music -For production and exhibition expenses- (art. 36.3 LIS)	40 percent	
For job creation for workers with disabilities (art. 38 LIS)		11,700/15,600 euros per person/year	
For business contributions to corporate social security systems imputed in favor of workers (art. 38 ter LIS.)		10 percent	25 percent or 50 percent
For investments in West African territories [art. 27 bis.1.a) Law 19/1994]		15/10 percent	25 percent or 50 percent
For advertising and publicity expenses [art. 27 bis.1.b) Law 19/1994]		15/10 percent	25 percent or 50 percent
For investments in the acquisition of fixed assets		25 percent	70%, in general for the Canary Islands 80 percent (for the islands of La Palma, La Gomera and El Hierro) (2)

Notes:

(1) For the islands of La Palma, La Gomera and El Hierro, the joint limits (60% or 90%) are raised to 70% and 100% respectively, when the Community regulations on State aid so permit and the investments are covered by Law 2/2016, of 27 September, and other laws on measures to regulate the economic activity of these islands. [\(Back\)](#)

(2) As a result of the interpretative criteria established by the Supreme Court in its Judgment No. 605/2024, of April 10, for the islands of La Palma, La Gomera and El Hierro the single limit of 70% is raised to 80% when the Community regulations on State aid so permit and it concerns investments contemplated in Law 2/2016, of September 27, and other laws on measures for the regulation of the economic activity of these islands. [\(Back\)](#)

A. Deductions from the Corporate Tax Law applicable in the Canary Islands

Regulations: Art. 94 and 94 bis Law 20/1991, of June 7, modifying the fiscal aspects of the Economic Fiscal Regime of the Canary Islands.

The following deductions provided for in the LIS are applicable in the Canary Islands with increases both in the corresponding deduction percentages and in the fixed amounts, as well as with respect to the applicable joint maximum limit.

Regarding the LIS see Law 27/2014, of November 27, on Corporate Tax.

Note: Please note that the new deduction for business contributions to corporate social security systems in article 38 ter of the LIS is applied in the Canary Islands without any special features. For this reason, for its application, see the comments on it in "[General deduction regime](#)" of the section "Deductions for incentives and stimuli for business investment in economic activities in direct estimation" of this chapter.

Application in the Canary Islands of the deductions of articles 35 and 36 LIS

Regulations: Art. 94 Law 20/1991, of June 7, 1991, modifying the fiscal aspects of the Fiscal Economic Regime

The application of the deductions of articles 35 and 36 of the LIS with increased percentages to business investments made in the Canary Islands is based on the provisions of article 94 of Law 20/1991, of June 7. Article 94 of Law 20/1991 establishes the application of the general deduction regime of Article 26 of Law 61/1978, of December 27, with increased deduction percentages, provided that the investment is made and remains in the Canary Islands.

As a consequence of the above, the increased deduction percentages of article 94 of Law 20/1991 only apply to the new deduction system established in Chapter IV of Title VI of the LIS, where it is equivalent to the deductions of article 26 of Law 61/1978. That is, in the deductions of articles 35 and 36 of the LIS .

Note: Please note that, with effect from 1 January 2021, the possibility is established for taxpayers, businessmen or professionals who finance Spanish film productions and audiovisual series and those of certain live shows, to apply the deductions of sections 1 and 3 of article 36 of the LIS and, likewise, these deductions are included among those that generate the right to apply the joint limit of 50% (limit that for the Canary Islands is 90% in general, and 100% for the islands of La Palma, La Gomera and El Hierro).

a. Deduction percentages

In accordance with article 94.1.a) of Law 20/1991, of June 7, 1991, modifying the fiscal aspects of the Economic Fiscal Regime of the Canary Islands (BOE of June 8), the rates applicable to investments made will be 80% higher than those of the general regime, with a minimum differential of 20 percentage points.

However, there is an exception since in accordance with the provisions of the Thirteenth Additional Provision of Law 19/1994, of July 6, amending the Economic and Tax Regime of the Canary Islands, added, with effect from January 1, 2015, by Royal Decree-Law 15/2014, of December 19, amending the Economic and Tax Regime of the Canary Islands (BOE of December 20), it must be taken into account that the percentage of the deduction for **technological innovation activities** that are carried out in the Canary Islands and meet the criteria established in section 2 of article 35 of the LIS , **will be 45 percent** , without the provisions of article 94.1.a) of Law 20/1991, of June 7, modification of the fiscal aspects of the Economic Fiscal Regime of the Canary Islands.

Therefore, the applicable percentages and the deduction base in each of the deductions in articles 35 and 36 of the LIS are:

Types of investment	Percentage	Deduction base	
Deduction for R&D activities (art. 35.1 LIS)	45 percent	R&D expenditure for the period, up to the average of the previous 2 years	
	75.6 per 100	R&D expenses for the period, over the average of the previous 2 years	
	37 per 100 (additional)	Staff costs for qualified R&D researchers	
	28 per 100	Investments allocated to R&D (except buildings and land).	
Deduction for technological innovation activities (art. 35.2 LIS)	45 percent	Period expenses in technological innovation.	
Deduction for investments in Spanish film productions (art. 36.1 LIS)	54 percent	Up to €1 million	Total cost of production together with costs of obtaining copies, advertising and promotion costs borne by the producer up to the limit of 40% of the cost of production. Take into account the maximum amount established DA14 Law 19/1994: • €36 million for each production made • For audiovisual series €18 million for each episode produced
	45 percent	On the excess of 1 million €	
Deduction for foreign film productions in Spain (art. 36.2 LIS)	54 percent	Up to €1 million	Expenses incurred in Spain directly related to production, provided they are at least €1 million. Take into account the provisions of DA14 Law 19/1994: • Maximum amount of the deduction for deductions made in the Canary Islands: ◦ €36 million for each production made ◦ For audiovisual series €18 million for each episode produced • Minimum amount in case of execution of post-production or animation services in a foreign production: €200,000
	45 percent	On the excess of 1 million €	
Deduction for production of certain live shows (art. 36.3 LIS)	40 percent	Direct costs Maximum amount of €900,000 per taxpayer in the case of production and exhibition of live performances of performing arts and music	

b. Requirements and conditions for the application of deductions

Regarding the requirements and conditions determining the application of these deductions of the LIS (articles 35, 36 of the LIS) their comment is contained in this Chapter in the section relating to the " [General regime of deductions](#) for incentives and stimuli to business investment of the Corporate Tax Law".

c. Specific limits on deductions for investments in film productions, audiovisual series and live performances of performing arts and music carried out in the Canary Islands

Without prejudice to the foregoing, with respect to article 36 of the LIS it must be taken into account that the Fourteenth Additional Provision of Law 19/1994, of July 6, amending the Economic and Fiscal Regime of the Canary Islands, establishes the following specific limits for deductions for investments in cinematographic productions, audiovisual series and live shows of performing and musical arts carried out in the Canary Islands:

- Maximum amounts:

- The amount of the deduction for investments in Spanish productions of feature films and short films and audiovisual series of fiction, animation or documentary of article 36.1 of the LIS may not be higher when it concerns productions made in the Canary Islands of the following amounts:
 - **36 million euros** , for each production made.
 - In the case of audiovisual series: **18 million euros for each episode produced** .
- The amount of the deduction for expenses incurred in Spanish territory for foreign productions of feature films or audiovisual works of article 36.2 of the LIS may not exceed when it concerns expenses incurred in the Canary Islands to the following amounts:
 - **36 million euros** , for each production made
 - In the case of audiovisual series: **18 million euros for each episode produced**.
- Maximum amount in the case of production and exhibition of live performing arts and musical shows (article 36.3 LIS) may not exceed 900,000 euros per production.

Remember: From 1 January 2021, the absolute limit of the deductions in paragraphs 1 and 2 of Article 36 LIS It cannot be higher than the result of increasing by 80 percent the maximum amount at the state level of this deduction. Therefore, the limit of this deduction in the Canary Islands is 36,000,000 euros, in general, for each production made 18 million euros for each episode produced, in the case of audiovisual series.

- Minimum amounts:

A amount of 200,000 euros is established when concerns expenses incurred in the Canary Islands or animation in a foreign production (article 36.2 LIS).

Application in the Canary Islands of the deduction of article 38 LIS

Regulations: Art. 94 bis Law 20/1991, of June 7, modifying the fiscal aspects of the Economic Fiscal Regime of the Canary Islands

Regarding the deduction for workers with disabilities of article 38 of the LIS its application in the Canary Islands with an increased amount is a consequence of article 94 bis of Law 20/1991, of June 7, modification of the fiscal aspects of the Canary Islands Fiscal Economic Regime added, with effect November 7, 2018, by article Two of Law 8/2018, of November 5, which modifies Law 19 /1994, of July 6, modifying the Economic and Fiscal Regime of the Canary Islands (BOE of July 6).

Article 94 bis of Law 20/1991 establishes that entities that hire a worker to carry out their activity in the Canary Islands will have the right to enjoy the tax benefits for job creation established by tax regulations in accordance with the requirements established therein, increasing them by 30 percent.

a. Amount of deduction

The deductible amounts provided for in article 38 of the LIS **are increased by 30 percent** .

Therefore:

Types of investments	Deductible amounts
Deduction of article 38 LIS	€11,700 For each person/year increase in the average number of employees with disabilities $\geq 33\%$ and $< 65\%$
	€15,600 For each person/year of increase in the average number of employees with a disability $\geq 65\%$

b. Requirements and conditions for the application of the deduction

Regarding the requirements and conditions determining the application of this deduction of article 38 of the LIS, your comment is contained in this Chapter in the section relating to [General regime of deductions](#) for incentives and incentives to business investment of the Corporate Tax Law.

Deductions not applied in the year due to insufficient quota

Regulations: Fourth transitional provision of Law 19/1994, of July 6, amending the Economic and Fiscal Regime of the Canary Islands

With effect from 1 January 2015, the fourth transitional provision of Law 19/1994 was amended by Royal Decree-Law 15/2014, of 19 December, amending the Economic and Tax Regime of the Canary Islands (BOE of 20 December), to establish that non-deductible

amounts (including the balances of deductions pending application as of 1 January 2015) may be applied, subject to the limits applicable to them, in the settlements of the tax periods that **end in the next 15 years and** successive years.

Joint limit of deductions of articles 35, 36 and 38 LIS in the Canary Islands

- **General Joint Limit: 60 percent or 90 percent**

In accordance with article 94.1.b) of Law 20/1991, of June 7, 1991, the joint limit on the quota will always be 80 percent higher than that set in the general regime, with a minimum differential of 35 percentage points.

Therefore, the [joint limits of Article 39.1 LIS](#) rise to **60 percent or 90 percent**.

Consequently, the investment deductions of articles 35, 36 and 38 LIS, applied in the Canary Islands during the tax period, may not jointly exceed **60 percent** of the quota resulting from reducing the sum of the full, state and regional quotas (boxes **[0545]** and **[0546]** of the declaration), in the total amount of deductions for investment in main residence (in the case of taxpayers to whom the transitional regime of this deduction applies), for investment in newly created or recently created companies, provided for in article 68.1 of the Law of IRPFABBR, and for actions for the protection and dissemination of Spanish Historical Heritage and World Heritage (Σ boxes **[0547]** and **[0548]**; boxes **[0549]**; **[0550]** and **[0551]**, respectively).

However, it will rise **90 percent** when the amount of the deductions of articles 35, and 36.1 and 3 of the LIS exceeds 10 percent of the aforementioned quota.

***Note:** The deduction limits of article 94.1.b) of Law 20/1991 apply to the deduction in article 38 of the LIS, since article 26 of Law 61/1978 contained, in its section six, a deduction for workers with disabilities at the time of its repeal. Therefore, this deduction will be subject to the joint limit of 60/90 or 70/100 (La Palma, La Gomera and El Hierro).*

- **Joint boundary for the islands of La Palma, La Gomera and El Hierro: 70 percent or 100 percent**

As of 2019, for the islands of La Palma, La Gomera and El Hierro, the minimum limit of 80% will be increased to 100% and the minimum differential will be 45 percentage points when the Community regulations on State aid so permit and the investments are provided for in Law 2/2016, of 27 September, and other laws on measures to regulate the economic activity of these islands in accordance with the provisions of article 1. Forty-one of Law 8/2018, of 5 November, which modifies Law 19/1994, of 6 July, amending the Economic and Fiscal Regime of the Canary Islands (BOE of 6 July). Consequently, in these cases, for the **islands of La Palma, La Gomera and El Hierro** the joint limits (60% or 90%) are raised, respectively, to **70% and 100%**.

The application of the limits provided for the islands of La Palma, La Gomera and El Hierro in those cases in which the taxpayer also generates deductions in other territories of the Canary Islands must simultaneously **comply with the following rules**:

1. Deductions generated on the islands of La Palma, La Gomera and El Hierro must respect their own enhanced limit (70/100 percent). Likewise, the deductions generated in the rest of the Canary Islands must also respect their own improved limit (60/90 percent).
2. In the event that there are both deductions on the three islands mentioned (La Palma, La Gomera and El Hierro) and on the rest of the Canary Islands, the maximum limit **for both types** of deductions will be the higher one, that is, the improved limit for the three islands (70/100 percent).
3. In the event that deductions apply on the three islands mentioned and on the rest of the Canary Islands, the latter **will not be able** to benefit from the increased limit of the three islands.

- **Application of the joint limit**

Finally, it should be noted that this joint limit on the quota **It is independent** of the corresponding amount for investments covered by the General Deductions Regime LIS and the Support Schemes for events of exceptional public interest included in Annexes A.4 and A.5 of the declaration.

B. Deduction for investments in West African territories and for advertising and publicity expenses

Regulations: Article 27 bis Law 19/1994, of July 6, amending the Economic and Fiscal Regime of the Canary Islands

Includes two deductions:

1. Deduction for investments in West African territories

It is applicable to taxpayers who carry out economic activities in the Canary Islands when they make investments intended for the establishment of subsidiaries or permanent establishments in Morocco, Mauritania, Senegal, Gambia, Guinea Bissau and Cape Verde.

a) Deduction percentages

15 percent of investments in the event that the net amount of turnover in the immediately preceding tax period is equal to or less than 10 million euros and with an average workforce in said period of less than 50 people.

If the immediately preceding tax period had a duration of less than one year, or the activity had been carried out for a period of time that was also shorter, the net amount of the turnover will be increased to one year.

b) Requirements for the application of the deduction

- Subsidiaries or permanent establishments established in Morocco, Mauritania, Senegal, Gambia, Guinea Bissau and Cape Verde must carry out economic activities in these territories within 1 year from the time of investment.
- The entity that makes the investment alone or jointly with other entities with tax domicile in the Canary Islands must hold a percentage of participation in the capital or in the equity of the subsidiary of at least 50 percent.
- The investment must be maintained for a period of at least 3 years.
- The deduction will be applied in the tax period in which the economic activity begins and will be conditional on an increase in the average number of employees in the Canary Islands of the taxpayer in that tax period compared to the average number of employees existing in the previous tax period and on maintaining said increase for a period of 3 years.

2. Deduction for multi-year advertising and publicity expenses

It is applicable to taxpayers who carry out economic activities in the Canary Islands for amounts paid for advertising and publicity expenses with a multi-year projection.

a) Deduction percentages

- **15%** of the amount paid for these advertising and publicity expenses in the event that the net amount of the turnover in the immediately preceding tax period is equal to or less than 10 million euros and with an average workforce in said period of less than 50 people.
- **10%** of the amount paid for these advertising and publicity expenses when the net turnover does not exceed 50 million euros and the average workforce is less than 250 people.

If the immediately preceding tax period had a duration of less than one year, or the activity had been carried out for a period of time that was also shorter, the net amount of the turnover will be increased to one year.

b) Requirements for the application of the deduction

These must be expenses for advertising and publicity with a multi-year projection for the launch of products, the opening and prospecting of markets abroad and attendance at fairs, exhibitions and similar events, including in this case those held in Spain with an international character.

3. Joint limit on deduction for investments in West African territories and for advertising and publicity expenses: 25 percent or 50 percent

The deduction for investments in West African territories and for advertising and publicity expenses in Article 27 bis of Law 19/1994 is subject to the [limits established in Article 39.1 of the LIS](#) of 25 or 50 percent of the quota.

Regarding the LIS see Law 27/2014, of November 27, on Corporate Tax.

C. Deduction for investments in the acquisition of fixed assets

Regulations: Art. 94 Law 20/1991, of June 7, modifying the fiscal aspects of the Economic Fiscal Regime of the Canary Islands

Attention: For the purposes of applying the deduction for investments in new fixed assets in the Canary Islands, the regulations to be applied, in light of the provisions of the fourth transitional provision of Law 19/1994, are the deduction system for investments in the Canary Islands provided for in article 26 of Law 61/1978, of December 27, on Corporate Tax, and in its Regulations, approved by Royal Decree 2631/1982, of October 15, regulations in force at the time of its repeal, on the understanding that there is no equivalent substitute regime in the current LIS. Interpretative criterion established by the Supreme Court in the third legal basis of Judgment No. 605/2024, of April 10, issued in the contentious-administrative appeal No. 1299/2022 (ROJ: STS 2022/2024).

In accordance with the above, the Twelfth Additional Provision of Law 43/1995, of December 27, on Corporate Tax, cannot be considered as an equivalent substitute regime for the deduction for new fixed assets.

a. New fixed assets

Taxpayers can deduct from the total tax **25 percent** of the investments they actually make in new fixed assets.

In accordance with article 94.1.a) of Law 20/1991, of June 7, amending the tax aspects of the Canary Islands Economic and Fiscal Regime (BOE of June 8), the rates applicable to investments made will be 80% higher than those of the general regime, with a minimum differential of 20 percentage points. Taking into account the above, and following the aforementioned Supreme Court Ruling 2022/2024, which considers applicable to the deduction for investment in new fixed assets article 26 of the aforementioned Law 61/1978 in its latest version, given by article 74 of Law 41/1994, of December 30, on the General State Budget for 1995, the applicable deduction rate will be 5%. Therefore, the deduction percentage will be 25 percent.

See articles 214, 215 and 216 of Royal Decree 2631/1982, of October 15, for the consideration of an item as a new fixed asset for the purposes of the aforementioned deduction.

In no case will land be considered new fixed assets.

Taxpayers who engage, through an economic operation, in the leasing or transfer of fixed assets to third parties for their use may enjoy the deduction for investments in new fixed assets, provided that they meet the remaining requirements provided and there is no direct or indirect link with the lessees or transferees of said assets, nor are they financial leasing operations.

Investment in movable property under a financial leasing regime:

Movable property acquired under a financial lease agreement that has an amortization coefficient equal to or greater than 10% in the amortization tables approved by Order of 12 May 1993 may be eligible for the deduction. In this case, the applicable deduction percentage, which in no case will be higher than that established in general, will be calculated in accordance with the provisions of article 26. Fifth of Law 61/1978.

b. Used fixed assets

Likewise, taxpayers may deduct from the total amount **25%** of the amount of investments for the acquisition of the used fixed asset item that had not previously enjoyed this deduction for investments in tangible fixed assets.

Used fixed assets that qualify for deduction must belong to one of the following categories (Royal Decree 241/1992):

- Machinery, facilities and tools.
- Information processing equipment.
- Internal and external transport elements, excluding vehicles that may be used by persons directly or indirectly linked to the company.

To be eligible for this deduction, the acquisition of the used fixed asset must represent a clear technological improvement for the company, and this circumstance must be proven, in the event of verification or investigation of the taxpayer's tax situation, by proving that the item subject to the deduction will produce or has produced any of the following effects:

- Decrease in the unit production cost of the good or service.
- Improving the quality of the good or service.

c. Time of computation of the deduction

Investments in tangible fixed assets that give rise to the investment deduction shall be deemed to have been made in the tax period in which they come into operation.

See section 3 of article 218 of Royal Decree 2631/1982 on the possibility of choosing a calculation criterion in the years in which payments are made in cases where the payment period for the investment is longer than 2 years or if the period elapsed between the firm order of the goods and their receipt is longer than 2 years.

d. Deduction base

The basis for the deduction shall include the entire agreed consideration, excluding interest, indirect state taxes and their surcharges, which shall not be included in it, regardless of their consideration for the purposes of the valuation of the assets.

Furthermore, it cannot be higher than the price that would have been agreed under normal market conditions between independent subjects in the operations carried out in the cases contemplated in article 26.Nine.Second of Law 61/1978.

e. Maintaining investment

In order to enjoy the deduction for investments, it will be a requirement that the elements remain in operation in the company of the same taxpayer for at least five years or during their useful life, if less, without being transferred, leased or assigned to third parties for their use.

f. Justification

The taxpayer must keep available to the Tax Authority a certificate issued by the transferor stating that the item being transferred has not previously benefited from the deduction for investments or the Investment Pension Fund regime.

g. Deductions not applied due to insufficient quota

As a result of the Canary Islands continuing to apply the deduction for investments in tangible fixed assets, it must be taken into account that, as with the rest of the types of deductions for investment, the amounts not deducted for this concept (including the balances of the deductions pending application as of January 1, 2015) may be applied, respecting the limits that apply to them, in the liquidations of the tax periods that end in the immediate and successive 15 years.

The calculation of the period for the application of the aforementioned deduction may be deferred until the first fiscal year in which, within the limitation period, positive results are produced in the cases provided for in article 26.Sixth of Law 61/1978.

h. Limit

The taxpayer may deduct the amount of the deduction for investments in new fixed assets in the Canary Islands that comes from both previous tax periods that are pending application and from the tax period itself, with a single limit of **70 percent**.

For these purposes, the following interpretative criterion established by the Supreme Court in its Judgments should be taken into account. no. 3486/2005, 744/2009 and 745/2009, of May 31, January 29 and 15, respectively, according to which the joint limit only applies in the case of deductions from previous tax periods together with the deductions of the tax period itself as follows:

Firstly, deductions for investments from previous tax periods will be taken into account, which will be subject to the limit on the net tax liability established in their respective rules, with the accumulation of limits being appropriate when several deductions from previous tax periods occur.

Secondly, if the limit for previous tax periods were higher than the joint limit (70 percent/80 percent) and that joint limit was fully absorbed by investments from previous tax periods, the deduction that could correspond to the tax period being declared could not be applied. Conversely, if it were lower, the deduction for investments in the tax period being declared could be made up to the limit resulting from the difference between the limit for deductions from previous tax periods and the joint limit.

If, in the period subject to declaration, there are only deductions for investments from previous tax periods, each of them will have its own limit, that established by its respective rules, there being no legal prohibition that prevents the sum of all the limits from absorbing 100 percent of the net tax liability, as established by the Supreme Court in the sixth legal basis of the STS 744/2009, of January 29, 2009.

This limit is determined by applying the provisions of section Seven.First of article 26 of Law 61/1978, which sets a joint limit of 35 percent, plus the minimum differential of 35 percentage points established by article 94 of Law 20/1991.

The limit on the deduction for investments in new fixed assets in the Canary Islands is applied, in accordance with the Resolution of the TEAC of April 9, 2015, Claim number 00/05445/2014, filed in an extraordinary appeal for unification of criteria, **on the entire tax rate** and not only on the part of it that corresponds to income from economic activities carried out in the Canary Islands.

Note: *In the case of the islands of La Palma, La Gomera and El Hierro, the percentage rises from 70% to 80%.*

2. Deduction for income derived from the sale of tangible assets produced in the Canary Islands

Regulations: Art. 26 and Additional Provision eleven of Law 19/1994, of July 6, amending the Economic and Fiscal Regime of the Canary Islands

Amount of deduction

50 percent of the portion of the full quota reduced, where applicable, by the amount of the deduction for the [reserve for investments in the Canary Islands](#), in the part that proportionally corresponds to the income derived from the sale of tangible assets produced in the Canary Islands by the beneficiaries of the deduction, without prejudice to the **limits established in the Community legislation that may affect it**.

In this regard, the Second Additional Provision of Royal Decree-Law 15/2014, of December 19, establishes that with effect from January 1, 2015, the application of this bonus, as well as the tax benefits that are considered regional operating aid (Book II and Article 94 of Law 20/1991, Law of the Autonomous Community of the Canary Islands, 4/2014, of June 26, Article 27 and Title V of Law 19/1994, and Twelfth Additional Provision of Law 43/1995, of December 27), and aid to the transport of goods included in the scope of Royal Decree 362/2009, of March 20, and the Order of July 31, 2009 of the Minister of Public Works and Transport of the Government of the Canary Islands, will be **subject to the limit of 30 percent of the beneficiary's annual turnover obtained in the Canary Islands**.

Please note that the aforementioned Royal Decree 362/2009, of March 20, was repealed with effect from April 2, 2019, by the sole repealing provision of Royal Decree 147/2019, of March 15.

For the purposes of calculating the income derived from the sale of tangible assets produced in the Canary Islands, it must be taken into account that they will include:

- a. The amounts of aid derived from the specific supply regime, established under article 3.1.a) of Regulation (EU) No. 228/2013 of the European Parliament and of the Council.
- b. The amounts of aid to producers derived from the Community Program to Support Agricultural Productions in the Canary Islands, established under article 3.1.b) of Regulation (EU) No. 228/2013 of the European Parliament and of the Council.

The Paying Agency of such funds shall certify to the competent tax authority the amount or amounts of aid received by the producer from the support measures provided for in the previous paragraph.

Requirements

To apply the deduction, the following requirements must be met:

- That the tangible goods produced in the Canary Islands derive from the exercise of agricultural, livestock, industrial and fishing activities, provided that, in the latter case, the deep-sea fishing is landed in the Canary Islands ports and is handled or transformed in the archipelago.

- That the taxpayers are domiciled in the Canary Islands. If taxpayers are domiciled in other territories, they must engage in the production of the aforementioned goods in the Canary Islands through a branch or permanent establishment.
- That they determine their returns under a direct estimation system.
- That the net returns eligible for bonuses are positive.

Note: Please note that the bonus regulated in article 26 of Law 19/1994 is not applicable to income derived from the sale of tangible goods produced in the Canary Islands, typical of shipbuilding, synthetic fibres, the automobile industry, steel industry and coal industry activities.

3. Deduction for allocations to the reserve for investments in the Canary Islands

Regulations: Article 27, and additional eleventh and fifteenth provisions of Law 19/1994, of July 6, amending the Economic and Fiscal Regime of the Canary Islands

a) Amount and limits of the deduction

Regulations: Art. 27.15 Law 19/1994, of July 6, amending the Economic and Fiscal Regime of the Canary Islands

New in 2025: Effective from 1 January 2025, a new possibility for the materialization of the RIC in assets related to the housing rental activity under the terms established in the Fifteenth Additional Provision of Law 19/1994.

Amount of deduction

The taxpayers of IRPFABBR Those who carry out economic activities under direct estimation will be entitled to a deduction in the full tax liability for the net operating income that is allocated to the investment reserve, provided that this income comes from economic activities carried out through establishments located in the Canary Islands.

The amount of this deduction is variable and is determined by applying the average tax rate (sum of the average general and regional tax rates, boxes **[0534]** and **[0535]**] of the declaration) to the provisions of net operating income for the year that are allocated to the reserve for investments in the Canary Islands, provided for in article 27 of Law 19/1994, of July 6, amending the Economic and Fiscal Regime of the Canary Islands.

See also Royal Decree 1758/2007, of December 28, approving the Regulations for the development of Law 19/1994, of July 6, amending the Economic and Tax Regime of the Canary Islands, in matters relating to tax incentives in indirect taxation, the reserve for investments in the Canary Islands and the Canary Islands Special Zone (BOE of January 16, 2008).

Note: *The portion of the profit obtained from activities related to shipbuilding, synthetic fibres, the automobile industry, steel industry and coal industry will not be eligible for the Canary Islands investment reserve regime established in article 27 of Law 19/1994, of 6 July.*

Limits on deduction

The amount of this deduction may not exceed **80 percent** of the portion of the full tax that corresponds proportionally to the amount of net operating income (excluding financial income and capital gains, including those from assets related to the activity) that comes from establishments located in the Canary Islands.

In joint taxation, the maximum limit of the deduction **is applied individually to each of the spouses**, if both are entitled to the deduction, without this application being able to result in a deduction greater than 80% of the total amount.

b) Requirements for the application of the deduction

Regulations: Art. 27, sections 3 to 14 and eighth transitional provision Law 19/1994, of July 6, amending the Economic and Fiscal Regime of the Canary Islands

To apply this deduction, the following requirements must be met:

- **That the taxpayer determines the net income from its economic activity in accordance with the direct estimation method** and that said income comes from activities carried out through establishments located in the Canary Islands.
- **That the reserve for Investments is accounted for separately**, and that it is not used as long as the assets in which it has been materialized must remain in the company.
- **That the amounts allocated to said reserve materialize within a maximum period of three years**, counted from the date of accrual of the tax corresponding to the year in which it was provided. This implies an effective period of 4 years, that is, the period in which the RIC and the deduction is applied to the full tax liability, and the 3 subsequent ones.

When dealing with amounts intended for investments in assets related to the housing rental activity referred to in the Fifteenth Additional Provision of Law 19/1994, the maximum materialization period must be respected in any case.

Please note that as a result of the health crisis caused by Covid-19, the deadlines for realizing the investment and providing the reserve materialized in advance have been suspended, from March 14 to May 30, 2020. This suspension affects the realization of reserves allocated with profits obtained in the 2019 and 2020 financial years.

- That said **materialization** takes place in the realization of any of the investments detailed in **article 27.4 of Law 19/1994** (BOE of July 30).

The investments detailed in article 27.4 of Law 19/1994 are examined in its specific section " [Investments where the amounts allocated to RIC](#) must be materialized" of this Chapter.

- **That the assets in which the investment is materialized are located or received in the Canary Islands**, that they are used therein, that they are affected by and are necessary for the development of the economic activities of the taxpayer, except in the case of those that contribute to the improvement and protection of the Canary Islands environment. Investments detailed in article 27.4 of Law 19/1994.

Article 27.5 of Law 19/1994 determines for this purpose which elements will be understood to be located and used in the archipelago.

- **That the assets** in which the reserve for related investments in letters A and C of article 27.4 of Law 19/1994 has been materialized, as well as those acquired by virtue of the provisions of letter D of the aforementioned paragraph 4 of article 27, **remain in operation in the same taxpayer's company for at least five years**, without being subject to transfer, lease or assignment to third parties for their use. When its permanence is less than said period, this requirement will not be considered breached when another asset is acquired to replace it at its net book value, prior to or within 6 months of its removal from the balance sheet, which meets the requirements for the application of the deduction and which remains in operation for the time necessary to complete said period. In the case of land acquisition, the period will be ten years.

Taxpayers engaged in the economic activity of leasing or transferring fixed assets to third parties for their use may benefit from the investment reserve, provided that there is no direct or indirect link with the lessees or assignees of said assets, in the terms defined in article 18.2 of the LIS , nor are they financial leasing operations.

In the case of leases of real estate, in addition to the conditions provided for in the previous paragraph, the requirements established in the fourth paragraph of section 8 of article 27 of the aforementioned Law 19/1994, of July 6, must be met, except when the Fifteenth Additional Provision applies. Regarding these requirements, the case of the rental of rehabilitated protected housing to persons registered in the Public Registry of Applicants for Protected Housing of the Canary Islands is included.

In the case of rental activities of protected housing carried out by the promoting entity thereof, the housing must be subject to rental for at least five uninterrupted years.

For these purposes, the transfer will not be considered interrupted when a new lease of the same dwelling is carried out within six months of its vacancy, without prejudice to the extension of the initial period of allocation for a period equivalent to that of the vacancy.

For the purposes of calculating the maintenance period, it should be taken into account that, for the investments of article 27.4. A) and C), materialization will be deemed to have occurred, even in cases of acquisition through financial leasing, at the time when the assets come into operation. In both the case of materializations through the subscription of

shares or participations and in the case of the subscription of financial instruments, the investment is considered to have been made when the issuing entity puts the acquired assets into operation.

Note: the sole article. One of Royal Decree-Law 15/2014, of December 19, modifying the Economic and Fiscal Regime of the Canary Islands (BOE of December 20) **repealed section 10 of article 27 of Law 19/1994** , so it is no longer necessary for the taxpayer to submit electronically the investment plan within the tax declaration deadlines in which the deduction corresponding to the reserve for investments in the Canary Islands is practiced and through the form that appeared on the page of the State Tax Administration Agency on the Internet.

Non-compliance with requirements

Regulations: Art. 27.16 Law 19/1994, of July 6, amending the Economic and Fiscal Regime of the Canary Islands

The provision of the investment reserve prior to the end of the investment maintenance period or for investments other than those provided for in section 4 of this article, as well as the failure to comply with any other requirements established in this article, except the requirement for its separate accounting and the information on the RIC that must be included in the annual accounts report, will result in the taxpayer proceeding to integrate, in the personal income tax base for the year in which these circumstances occurred, the amounts that at the time gave rise to the reduction of the former or the deduction of the latter, without prejudice to any applicable penalties.

In the event of non-compliance with the obligation to exercise the purchase option provided for in financial leasing contracts, the integration into the tax base will take place in the year in which it was contractually provided that this should have been exercised.

Late payment interest will be settled in accordance with the terms set out in Law 58/2003 and its implementing regulations.

The same consequences will apply to non-compliance with the six-month period for the effective commencement of the housing lease referred to in the Fifteenth Additional Provision of Law 19/1994.

See section 10 of the aforementioned Fifteenth Additional Provision.

c) Investments where the amounts destined for the RIC must be materialized

Regulations: Art. 27.4 and Fifteenth Additional Provision of Law 19/1994, of July 6, amending the Economic and Fiscal Regime of the Canary Islands

The amounts allocated to the investment reserve in the Canary Islands must be invested in one of the following investments:

Note: With effect for tax periods beginning on or after January 1, 2025, reserves for investments in the Canary Islands funded from profits of fiscal years beginning before or after that date may be materialized through investments in assets related to the housing rental activity under the terms set out in the Fifteenth Additional Provision of Law 19/1994.

For these purposes, any business for which a person is employed under a full-time employment contract will in any case be considered an economic activity of housing rental.

- **Article 27.4.A: Initial investments** consisting of, among others, the acquisition of new tangible or intangible fixed assets as a result of:
 - The creation of an establishment.
 - The expansion of an establishment.
 - The diversification of an establishment's activity for the production of new products.
 - The substantial transformation in the production process of an establishment.

Under no circumstances may the reservation for investments in the Canary Islands be used for the acquisition of properties intended for holiday housing, in its non-hotel modality, in accordance with its specific regulation by Decree 142/2010, of October 4, and Decree 113/2015, of May 22, which approves the Regulation of holiday housing in the Autonomous Community of the Canary Islands.

Investments in land, whether built or not, are also considered initial investments, provided that they meet the requirements established in the aforementioned legal provision.

In the case of taxpayers who meet the conditions of article 101 of the LIS to be considered small entities, in the tax period in which the profit against which the reserve is provided is obtained, the investment may consist of the acquisition of used fixed assets, provided that the assets acquired have not previously benefited from the reserve regime for investments in the Canary Islands. In the case of land, the conditions provided for in this letter A of article 27.4 of Law 19/1994 must be met in all cases.

Regarding the LIS see Law 27/2014, of November 27, on Corporate Tax.

Specialization in the case of specific investments in housing rentals

When dealing with any of the actions listed in point A of section 4 of article 27, mentioned above, for the purpose of considering the existence of initial investments, the amounts allocated to the reserve for investments in the Canary Islands may be materialized in real estate located in the Canary Islands, provided that they are used in a novel way for the rental of housing, with or without an option to purchase, and there is no direct or indirect link with the lessee in the terms defined in section 2 of article 18 of the LIS.

For these purposes, housing shall be understood to mean the building or part of it, of a private nature, intended for residence and habitation of persons, when it is used for that purpose effectively, continuously and stably by the tenant, constituting his habitual residence. Those excluded by Article 5 of Law 29/1994, of November 24, on Urban Leases, will not be considered residential leases. Housing rental will be considered to take place in a novel way when the property acquired has not been transferred under this regime within the year prior to the date of acquisition.

It will be an essential requirement **that the dwelling is effectively rented within 6 months after the date of its acquisition or when it is made habitable**. If the dwelling has been made habitable after the acquisition of the property, the date of that urban planning situation must be proven by providing the administrative documents that justify the first occupancy, in accordance with the provisions of the current legislation on planning and quality of the building.

The property will be considered to be effectively rented from the date shown in the lease agreement. In order to prove this date, proof of effective collection of the amounts due from the landlord upon signing the contract must be provided, including, in any case, the amounts corresponding to the payment of the first two monthly installments.

Anti-avoidance clause: Taxpayers who do not meet the conditions of Article 101 of the LIS, in the tax period in which the profit is obtained from which the reserve is funded, will not be able to realize the RIC properties used for housing rental when they have previously benefited from:

- of the regime provided for in this provision, or
- of the general regime regulated in article 27 of this Law, provided that it corresponds to allocations that have been made against profits obtained in tax periods starting from 1 January 2021.
- of the deduction regime for investments in the Canary Islands.

- **Article 27.4.B: Creation of jobs** directly related to the investments provided for in letter A), which occur within a period of six months from the date of entry into operation of said investment and meet certain requirements for increasing staff.
- **Article 27.4.B bis: Creation of jobs** carried out in the tax period that cannot be considered as an initial investment for not meeting any of the requirements established in letter B of article 27, with a limit of 50% of the allocations to the Reserve made by the taxpayer in the tax period.

Likewise, with effect from 1 January 2025, the materialization of the reserve through the creation of jobs directly linked to investments in real estate intended for housing rental is permitted, under the terms provided for in the Fifteenth Additional Provision, section 5 of Law 19/1994. In this case, the conditions set out in letters B or B bis of paragraph 4 of Article 27 must also be met.

- **27.4.C:** Acquisition of tangible or intangible fixed assets that cannot be considered as initial investment due to not meeting any of the conditions established in letter A) above, as well as investment in assets that contribute to the improvement and protection of the environment in the Canary Islands, as well as those research and development expenses

that are determined by regulation.

Under no circumstances may the reservation for investments in the Canary Islands be used for the rehabilitation or renovation of properties intended for holiday housing, according to its regulation as an extra-hotel modality in Decree 142/2010, of October 4, which approves the Regulation of Tourist Accommodation Activity and modifies Decree 10/2001, of January 22, which regulates tourist standards, and in Decree 113/2015, of May 22, which approves the Regulation of holiday homes of the Autonomous Community of the Canary Islands.

Application to the special housing rental regime: it will be possible to materialize RIC in real estate by making investments that cannot be considered initial investments because they were not made as a result of the creation or expansion of an establishment, or the diversification or substantial transformation of production, provided that the assets are affected by the development of the housing rental activity defined in the Fifteenth Additional Provision of Law 19/1994.

- **Article 27.4.D: The subscription of the following securities:**

1. Shares or interests in the capital issued by companies as a result of their incorporation or capital increase that carry out their activity in the archipelago, provided that the requirements established in the aforementioned legal provision are met.

Within the framework of the special regime for the materialization of the Reserve for Investments in the Canary Islands provided for in the Fifteenth Additional Provision of Law 19/1994, the subscription of shares or participations in the capital of companies that carry out their activity in the Canary Islands is also allowed, provided that said entities make investments related to housing rental in the terms established in the aforementioned provision and in letter D.1 of article 27.4.

See section 6 of the Fifteenth Additional Provision.

2. Shares or interests in the capital issued by entities in the Canary Islands Special Zone as a result of their incorporation or capital increase, provided that the legally established requirements and conditions are met.

3. Any financial instrument issued by financial entities provided that the funds raised for the purpose of creating the Reserve are used to finance private or public-private partnership projects in the Canary Islands, whose investments are eligible in accordance with the provisions of this article, provided that the issues are supervised by the Government of the Canary Islands, and have a binding report from the State Tax Administration Agency.

4. Public debt securities of the Autonomous Community of the Canary Islands, of the Canary Islands Local Corporations or of their public companies or autonomous bodies, provided that it is intended to finance investments in infrastructure and equipment or for the improvement and protection of the environment in the Canary Islands territory or, from 1 January 2025, to finance the promotion of protected housing intended for rent, or the rehabilitation of housing intended for rent in favor of persons registered in the Public Register of applicants for Protected Housing of the Canary Islands, in accordance with the

provisions of the Order of 24 September 2009, which regulates the registration, operation and structure of said Register with the limit of 50 percent of the allocations made in each year.

5. Securities issued by public bodies that proceed to the construction or operation of infrastructure or facilities of public interest for the Public Administrations in the Canary Islands, when the financing obtained with said issuance is exclusively destined for such construction or operation, and, from 1 January 2025 as in the previous point, when it is destined for the rehabilitation of protected housing intended for rental in favor of persons registered in the Public Register of Applicants for Protected Housing of the Canary Islands, with the limit of 50 percent of the allocations made in each year.

6. Securities issued by entities that proceed to the construction or operation of infrastructure or facilities of public interest for the Public Administrations in the Canary Islands, once the corresponding administrative concession or enabling administrative title has been obtained, when the financing obtained with said issue is exclusively destined for such construction or operation, with the limit of 50 percent of the allocations made in each year and under the terms provided for by regulation. The issuance of the corresponding securities will be subject to prior administrative authorization by the competent Administration for the granting of the corresponding administrative title of inhabitant.

Note: Please note that sections 2, 4.A) and C), 5, 8 and 12 of article 27 of Law 19/1994, of July 6, were modified, for tax periods beginning on or after November 7, 2018, by article one. Thirty-four of Law 8/2018, of November 5, which modifies Law 19/1994, of July 6, modifying the Economic and Fiscal Regime of the Canary Islands (BOE of November 11).

d) Amount of the materialization

The materialization of the RIC It is understood to be produced by the acquisition price or production cost of the assets, excluding interest, indirect state taxes and their surcharges, without being able to exceed their market value. The amount financed with subsidies is not considered a materialization of the reserve.

However, the particularities established in section 6 of article 27 of Law 19/1994 must be taken into account for certain cases.

In relation to the materialization of the Reserve for Investments in the Canary Islands through investments related to housing rental, in accordance with the provisions of the Fifteenth Additional Provision of Law 19/1994, the amount of the materialization will also be determined according to the provisions of section 6 of article 27 of said Law.

See section 7 of the aforementioned Fifteenth Additional Provision.

e) Incompatibilities

This deduction **It is incompatible, for the same goods and expenses**, with the [deductions to encourage the performance of certain activities](#) of article 68.2 of the Law IRPFABBR and with the [deduction for investments](#) regulated in article 94 of Law 20/1991, of June 7, on the modification of the tax aspects of the Economic and Fiscal Regime of the Canary Islands.

In the case of **used assets and land, these may not have previously benefited from the Canary Islands investment reserve regime**, for provisions that have been made with profits from tax periods beginning on or after 1 January 2007, nor from deductions to encourage the performance of certain activities regulated in the LIS, nor from the deduction for investments regulated in article 94 of Law 20/1991. Investments in used assets that have only partially benefited from the Canary Islands investment reserve regime in the corresponding proportional part will be considered suitable.

Precision: In the case of the materialization of the Reserve for Investments in the Canary Islands through investments in housing rental, in accordance with the provisions of the Fifteenth Additional Provision of Law 19/1994, the incompatibility regime of section 12 of article 27 of said Law will also apply, for the same assets and expenses subject to investment.

See section 11 of the aforementioned Fifteenth Additional Provision.

f) Advance investments of future endowments

Regulations: Art. 27.11 and eighth transitional provision.2 Law 19/1994, of July 6, amending the Economic and Fiscal Regime of the Canary Islands

In accordance with the provisions of article 27.11 of Law 19/1994, of July 6, on the Economic and Fiscal Regime of the Canary Islands, taxpayers may make advance investments, which will be considered as materialization of the investment reserve that is provided from profits obtained in tax period **in which the investment is made or in the three subsequent periods**, provided that the remaining requirements demanded in the same are met.

However, the deadline will be four years (instead of three years) for advance investments made in 2017.

Please note that as a result of the health crisis caused by Covid-19, the deadlines for realizing the investment and providing the reserve made in advance have been suspended, from March 14 to May 30, 2020.

The aforementioned allocations must be made using profits obtained **within the period of validity of the Regulation (EU) Commission Regulation (EU) No 651/2014 of 17 June 2014** by which certain categories of aid are declared compatible with the internal market in application of Articles 107 and 108 of the Treaty, or the rule that replaces it.

Please note that the validity of the aforementioned Regulation (EU) 651/2014 is extended until December 31, 2026.

The aforementioned implementation and its financing system will be communicated together with the declaration of IRPFABBR of the tax period in which the advance investments are made.

g) Information to be provided in the personal income tax return

The maximum period for materializing the reserve for investments in the Canary Islands (RIC) is three years, pursuant to the provisions of article 27.4 of Law 19/1994, of July 6, amending the Economic and Fiscal Regime of the Canary Islands.

This three-year period must be counted from the date of accrual of the tax corresponding to the year in which the allocation (accounting) of the reserve occurs and said allocation in the case of natural persons may be:

- at the close of the accounting period on December 31 of each year.
- in the year following the year in which the profit is obtained.

The above determines that natural persons will have an effective period of three or four years to materialize the reserve for investments in the Canary Islands, depending on when they have made the accounting entry for the provision of the reserve (at the end of the financial year or in the following financial year). This duality (which does not occur in the case of Companies) is the reason for the design of the model. IRPFABBR.

Information on allocations and materializations made in 2025 from the reserve for investments in the Canary Islands corresponding to the years 2021 to 2025 and advance investments of future allocations will be provided in accordance with the breakdown contained in the corresponding section of Annex A.4 of the declaration as follows:

Provisions and materializations carried out in 2025

- Casillas **[0733], [0735], [0738], [0742] and [0746]**

The amount of the allocations corresponding to income obtained in the Canary Islands in the years 2021 to 2025 that have been allocated to the RIC will be indicated.

- Casillas **[0734], [0789], [0792], [0794] and [0802]**

The year of the allocation will be indicated (2021 to 2025) which, as mentioned before, may be at the close of the year in which the net operating income was obtained or in the following year.

- Casillas **[0777], [0736], [0739], [0743], [0747] and [0750]**

The amount of the materializations carried out against the allocation previously declared in the investments foreseen in letters A, B, B bis and D 1 of article 27.4, and DA 15 (3 and 6) of Law 19/1994 will be indicated.

- Casillas **[0778], [0737], [0740], [0744], [0748] and [0751]**

The amount of the materializations carried out against the allocation previously declared in the investments foreseen in letters C and D 2 to 6 of article 27.4, and DA 15 (4) of Law 19/1994 will be indicated.

- Casillas **[0790], [0741], [0745] and [0749]**

The amount of each of the previously declared allocations that is pending to be materialized as of December 31, 2025, will be indicated.

Advance investments of future allocations to the reserve for investments in the Canary Islands, made in 2025

The information will be provided according to the following breakdown:

- **Box [0750].**

The amount of investments made in 2025 as an advance materialization of future allocations as provided for in article 27.4 will be indicated. A, B, B bis, D 1, and DA 15 (3rd and 6th), Law 19/1994.

- **Box [0751].**

The amount of investments made in 2025 as an advance materialization of future allocations as provided for in article 27.4 will be indicated. C and D 2 to 6, and DA 15 (4th) Law 19/1994.

Special tax regime of the Balearic Islands

Regulations: Seventieth Additional Provision of Law 31/2022, of December 23, on the General State Budget for the year 2023

Object and temporal scope of application

A special tax regime is established for the Balearic Islands, the purpose of which is to recognize the specific and distinctive fact of their insularity, through the approval of a set of tax measures that, in relation to IRPFABBR, will be applicable in the fiscal years 2023 to 2028, both inclusive.

Note: On July 24, 2024, Royal Decree 710/2024, of July 23, was approved, approving the Regulation for the development of the Special Tax Regime of the Balearic Islands (BOE of July 24), with effect for tax periods beginning between January 1, 2023 and December 31, 2028.

Spatial scope of application

This tax regime is applicable in the territorial area of the Autonomous Community of the Balearic Islands, defined in article 2 of its Statute of Autonomy, formed by the islands of Mallorca, Menorca, Ibiza, Formentera and Cabrera and by the other adjacent smaller islands.

Tax benefits provided for in this regime

The special regime for the Balearic Islands includes the following fiscal measures:

1. Deduction for allocations to the reserve for investments in the Balearic Islands

Regulations: Seventieth Additional Provision. Four Law 31/2022, of December 23, on the General State Budget for the year 2023

***Temporal scope :** This deduction is applicable to the allocations made to the investment reserve in the years 2023, 2024, 2025, 2026, 2027 and 2028.*

a) Amount and limits of the deduction

Regulations: number 13 of the Seventieth Additional Provision. Four Law 31/2022, of December 23, on the General State Budget for the year 2023

Amount of deduction

The taxpayers of IRPFABBR Those who carry out economic activities under direct estimation will be entitled to a deduction in their full tax liability for the net operating income that is allocated to the investment reserve, provided that this income comes from economic activities carried out through establishments located in the Balearic Islands.

The amount of this deduction is variable and is determined **by applying the average tax rate** (sum of the average general and regional tax rates, boxes [0534] and [0535] of the declaration) **to the allocations** of the net operating income for the year that is allocated to the reserve for investments in the Balearic Islands.

Limits on deduction

The amount of this deduction **may not exceed 80 per 100** of the part of the full quota that proportionally corresponds to the amount of net operating income that comes from establishments located in the Balearic Islands , provided that the limits established in the Community Regulation that, in each case, are applicable and that are indicated in the table on the limits of aid to *minimis* , which are applicable, are not exceeded to the tax benefits of the special tax regime of the Balearic Islands and are included in section 3.

In joint taxation, the maximum limit of the deduction **is applied individually to each of the spouses** , if both were entitled to the deduction, **without, as a result of this application, result in a deduction greater than 80 percent of the full fee** .

b) Requirements for the application of the deduction

To apply this deduction, the following requirements must be met:

- ***Taxpayers in direct estimation***

Regulations: number 13 of the Seventieth Additional Provision. Four Law 31/2022, of December 23, on the General State Budget for the year 2023

The taxpayer is required to determine the net income from its economic activity using the direct estimation method.

See also art. 2.3 Regulation implementing the Special Tax Regime of the Balearic Islands, approved by Royal Decree 710/2024, of July 23 (BOE of July 24).

Specifically, they are required to keep accounting records in the manner required by the Commercial Code and its implementing regulations from the year in which the profits allocated to the investment reserve in the Balearic Islands were obtained until the year in which the assets used to realize the investment must remain in operation.

- ***Separate accounting of the allocation for the investment reserve and information that must be included in the annual accounts or in the investment assets register***

Regulations: numbers 3 and 12 of the Seventieth Additional Provision. Four Law 31/2022, of December 23, on the General State Budget for the year 2023

The investment reserve is required **be accounted for separately and not** be used as long as the assets in which it is materialized must remain in the company.

In addition, taxpayers must record the **accounts report the information** detailed in number 12 of the Seventieth Additional Provision. Four Law 31/2022.

- ***Establishments located in the Balearic Islands***

See art. 3 Regulations implementing the Special Tax Regime of the Balearic Islands, approved by Royal Decree 710/2024, of July 23 (BOE of July 24).

The income obtained must come from activities carried out through establishments located in the Balearic Islands.

For these purposes, establishments are those that meet the requirements set out in article 22.3 of the LIS .

Taking into account the provisions of article 22.3 LIS, establishments are located in the Balearic Islands when, for any reason, they continuously or habitually have facilities or workplaces in the Balearic Islands where they carry out all or part of their activity, or act therein through an agent authorized to contract, in the name and on behalf of the taxpayer, who habitually exercises said powers. In particular, permanent establishments shall be deemed to include management headquarters, branches, offices, factories, workshops, warehouses, stores or other establishments, mines, oil or gas wells, quarries, agricultural, forestry or livestock operations or any other site of exploration or extraction of natural resources, and construction, installation or assembly works lasting more than 6 months.

In any case, an establishment will be deemed to be located in the territory of the Balearic Islands when it is in its territorial waters up to the outer limit of the territorial sea, in accordance with Law 10/1977, of January 4, on territorial sea.

The outer limit of the territorial sea shall be determined by a line drawn so that the points constituting it are at a distance of twelve nautical miles from the nearest points of the baselines referred to in the previous article.

- **Maximum term of 3 years for the materialization of reservation for investments .**

Regulations: number 4 of the Seventieth Additional Provision. Four Law 31/2022, of December 23, on the General State Budget for the year 2023

The amounts allocated to said reserve are required to be materialized within a maximum period of three years, counted from the date of accrual of the tax corresponding to the year in which it was provided.

As stated in article 18 of the Regulation implementing the Special Tax Regime of the Balearic Islands, approved by Royal Decree 710/2024, of July 23 (BOE of July 24), the maximum period for the materialization of investments will not be affected by the fact that said materialization may take place after December 31, 2028, provided that the allocation or allocations to the reserve for investments in the Balearic Islands linked to such investments have been made **in the tax periods beginning between January 1, 2023 and December 31, 2028.**

- **Materialization in specifically established investments.**

Regulations: number 4 of the Seventieth Additional Provision. Four Law 31/2022, of December 23, on the General State Budget for the year 2023.

It is required that said **materialization be carried out in one of the investments detailed** below, in a specific section " [Investments where the amounts destined for the RIB](#) must be materialized " of this Chapter.

- **Situation and use of the heritage elements in which the investment is materialized in the Balearic archipelago**

Regulations: number 5 of the Seventieth Additional Provision of Law 31/2022, of December 23, on the General State Budget for the year 2023.

The assets in which the investment is made are required to meet the following conditions:

- are located or are received in the Balearic archipelago ,
- be used in the Balearic archipelago,
- are affected by and necessary for the development of the taxpayer's economic activities, except in the case of those that contribute to the improvement and protection of the Balearic environment.

To this end, number 5 of Section Four of the Seventieth Additional Provision of Law 31/2022 determines which elements will be understood to be located and used in the archipelago.

According to the aforementioned number 5 of section Four of the Seventieth Additional Provision of Law 31/2022, the following shall be understood to be located and used in the archipelago:

1. Aircraft whose destination contributes to improving connections between the Balearic Islands, under the terms determined by regulation.
2. Ships flying the Spanish flag and with their home port in the Balearic Islands.

3. The transport and communications networks that connect the Balearic archipelago with the outside world, through the section of the same that is located within the territory of the Balearic Islands and the part located outside of it that is used to connect the different islands of the archipelago with each other.
4. Computer applications and industrial property rights that are not merely distinctive signs of the taxpayer or its products and that are to be applied exclusively in production processes or commercial activities carried out within the Balearic Islands, as well as intellectual property rights that are subject to reproduction and distribution exclusively within the Balearic archipelago.
5. Administrative concessions for the use of public domain assets located in the Balearic Islands.
6. Administrative concessions for the provision of public services that are carried out exclusively within the archipelago.
7. Administrative concessions for public works for the execution or operation of public infrastructures located in the Balearic Islands.

• **Maintaining investment**

Regulations: number 8 of the Seventieth Additional Provision. Four Law 31/2022, of December 23, on the General State Budget for the year 2023.

The assets in which the investment reserve has been materialized are required to be maintained for the following periods:

1. **When it concerns patrimonial elements of tangible or intangible fixed assets** referred to in letter A of number 4 of the Seventieth Additional Provision. Four of Law 31/2022, as well as the assets acquired under the provisions of letter C of that same number, must remain **in operation in the company of the same taxpayer for:**
 - **In general:** at least five years, without being transferred, leased or assigned to third parties for use.
 - **In the case of land acquisition :** Ten years minimum

For the purposes of calculating the maintenance period **it must** taken into account that materialization will be deemed to have occurred, even in cases of acquisition through financial leasing, at the time when the assets become operational.

However, if the purchase option is ultimately not exercised, the taxpayer must adjust the tax benefit in accordance with the provisions set forth below. See number 14 of section four of the Seventieth Additional Provision of Law 31/2022, of December 23.

When the useful life of the assets is less than said period , this requirement will not be considered breached when another asset is acquired to replace it at its net book value, within 6 months of its removal from the balance sheet, which meets the requirements for the application of the deduction and which remains in operation for the time necessary to complete said period.

Now , in no case may it be understood that this new acquisition implies the materialization of the amounts destined to the reserve for investments in the Balearic Islands, except **for the amount thereof that exceeds the net book value** of the asset

that is replaced and that was considered the materialization of the reserve regulated in this section.

In cases of loss of the asset it must be replaced under the terms set out in the previous paragraph.

2. **When it concerns the values** referred to in letter C of number 4 of the Seventieth Additional Provision. Four of Law 31/2022, must remain in the taxpayer's assets for **five uninterrupted years**, without the rights of use or enjoyment associated with them being able to be transferred to third parties.

- **Other requirements:**

Regulations: number 8 of the Seventieth Additional Provision. Four Law 31/2022, of December 23, on the General State Budget for the year 2023

- Taxpayers engaged in the **economic activity of leasing or transferring fixed assets to third parties for their use** may enjoy the investment reserve, provided that there is no direct or indirect link with the lessees or assignees of said assets, in the terms defined in article 18.2 of the LIS, nor are they financial leasing operations.
- **In the case of leasing of real estate**, in addition to the conditions provided for in the previous paragraph, those specifically established for these cases in number 8 of the Seventieth Additional Provision must be met. Four of Law 31/2022.

For these purposes, the leasing of real estate shall be considered an economic activity only when the circumstances provided for in Article 27.2 of the Law are met. IRPFABBR (that is, when a person with a full-time employment contract is available to manage the activity).

See also Article 15 of the Implementing Regulations of the Special Tax Regime of the Balearic Islands, approved by Royal Decree 710/2024 of 23 July, which specifies the conditions for leasing real estate.

Non-compliance with requirements

Regulations: number 14 of section Four of the Seventieth Additional Provision. Law 31/2022, of December 23, on the General State Budget for the year 2023

The allocation of the reserve for investments **prior to the end of the maintenance period of the investment or for different investments** to those provided for in number 4 of section Four of the seventieth Additional Provision of Law 31/2022, as well as non-compliance with any other of the requirements established in the aforementioned provision, **except** the requirement of its separate accounting and the information that must be included in the annual accounts report regarding the investment reserve in the Balearic Islands, **will lead to** the taxpayer proceeds to integrate, into the full tax liability of IRPFABBR of the year in which these circumstances occurred, of the amounts that gave rise to the deduction, without prejudice to any applicable penalties.

In the event of non-compliance with obligation **of exercising the purchase option provided for in financial leasing contracts**, the integration into the tax base will take place in the year in which it was contractually provided that this should have been exercised.

Late payment interest will be settled in accordance with the terms set out in the LGT and its implementing regulations.

c) Investments where the amounts allocated to the RIB must be materialized and the amount of the materialization

Regulations: number 4 of section Four of the Seventieth Additional Provision. Law 31/2022, of December 23, on the General State Budget for the year 2023

The amounts allocated to the investment reserve in the Balearic Islands must be invested in one of the following investments:

Letter a:

1. Patrimonial elements of tangible or intangible fixed assets

The assets of tangible or intangible fixed assets shall be understood to be those elements referred to in the corresponding registration and valuation standards issued in development of the General Accounting Plan approved by Royal Decree 1514/2007, of November 16.

The assets may be new or used, provided that, in the case of the latter, said assets have not formed part, in their entirety, of the materialisation of the reserve for investments in the Balearic Islands with respect to another taxpayer.

Clarifications:

a. In the case of investments for **acquisition of land, built or not**, this must be affected:

- For the promotion of protected housing, when this qualification is appropriate in accordance with the provisions of the regional regulations governing Decree 27/2006, of March 7, which regulates the actions of the Housing Plan of the Balearic Islands, and is intended for leasing by the developer company.
- For the development of industrial activities included in divisions 1 to 4 of the first section of the rates of the Tax on Economic Activities, approved by Royal Legislative Decree 1175/1990, of September 28, which approves the rates and instructions of the Tax on Economic Activities.

Therefore, to the extent that the activities carried out are not included among the activities of divisions 1 to 4 of the first section of the rates of the Tax on Economic Activities, the investment in the land that occupies the property in which the activity will be carried out cannot be considered suitable for materializing the RIB.

- To socio-health activities, residential centers for the elderly, geriatric centers and neurological and physical rehabilitation centers.

- To commercial areas that are subject to a rehabilitation process. See article 6.1.a) of the Regulation implementing the Special Tax Regime of the Balearic Islands, approved by Royal Decree 710/2024, of July 23.
- To the tourist activities regulated in article 3.b) of Law 8/2012, of July 19, on Tourism in the Balearic Islands, the acquisition of which has as its object the rehabilitation of a tourist establishment, as defined in article 3.h) of the aforementioned law 8/2012. See art. 6.1.b) and c) of the Regulation implementing the Special Tax Regime of the Balearic Islands, approved by Royal Decree 710/2024, of July 23.

For the sole purpose of understanding the value corresponding to the land to be included in the amount of the materialization of the reserve, rehabilitation works will be considered to be actions aimed at the renovation, expansion or improvement of tourist establishments, provided that they meet the necessary conditions to be incorporated into tangible fixed assets as a higher value of the property.

- b. In the case of acquisition of **intangible fixed assets**, the reservation may not be materialized in trademarks or non-patented knowledge, in the terms established in article 7 of the Regulations for the development of the Special Tax Regime of the Balearic Islands, approved by Royal Decree 710/2024, of July 23.

For these purposes, Article 7 of the aforementioned Regulation states that the following will be considered non-patented technical knowledge: rights to the economic exploitation of secret formulas or procedures, rights to information relating to industrial, commercial or scientific experience, and the undisclosed set of technical information necessary for the industrial reproduction, directly and under the same conditions, of a product or a procedure.

- c. In the case of the acquisition of means of transport, the investment reserve in the Balearic Islands may be any type of transport element used in economic activity, whether for internal or external use, without prejudice to the following specificities:
- In the case of **acquisition of passenger transport elements by sea** they must be dedicated exclusively to public services within the scope of functions of general interest that correspond to the public needs of the Balearic Islands. See articles 10.2 and 13 of the Regulation implementing the Special Tax Regime of the Balearic Islands, approved by Royal Decree 710/2024, of July 23.
 - In the case of **acquisition of road passenger transport vehicles** it will be necessary for the company to have its tax domicile in the territory of the Balearic Islands. See articles 10, sections 3 and 4, and 13 of the Regulation implementing the Special Tax Regime of the Balearic Islands, approved by Royal Decree 710/2024, of July 23.

2. Investments that contribute to the improvement or protection of the environment in the territory of the Balearic Islands

Investments that contribute to the improvement or protection of the environment in the territory of the Balearic Islands are considered to be those referred to in article 8 of the Regulations for the development of the Special Tax Regime of the Balearic Islands, approved by Royal Decree 710/2024, of July 23.

Investments that contribute to the improvement or protection of the environment

For the purposes of understanding that the materialization requirement has been fulfilled, the following are considered to be fulfilled:

- a. Those carried out on tangible fixed assets intended for environmental protection, consisting of installations that prevent atmospheric or acoustic pollution from industrial facilities, or against the pollution of surface, underground and marine waters, or for the reduction, recovery or treatment of own industrial waste, or to

optimize the consumption and treatment of agricultural or industrial water resources, provided that the current regulations in said areas of action are being complied with and they are carried out to improve the requirements established in said regulations.

- b. Those carried out on tangible assets consisting of facilities and equipment intended for the use, for self-consumption, of renewable energy sources for their transformation into electricity.

For the purposes of the provisions of letters a) and b) above, the competent environmental body of the Administration of the Balearic Islands must issue the certification of the validation of the investment in any case before the end of the regulatory period for filing the self-assessment corresponding to the last tax period in which the taxpayer can carry out the materialization of the investment reserve (three years from the accrual date of the Personal Income Tax corresponding to the year in which it was provided or, in the case of early investments, in the tax period in which the investment is made or in the three subsequent ones). See for these purposes numbers 4 and 10 of section four of the Seventieth Additional Provision of Law 31/2022, of December 23.

If the investment is not validated within the aforementioned period, the taxpayer must proceed to integrate the amounts that gave rise to the aforementioned deduction into the full personal income tax rate for the year in which these circumstances occurred, in accordance with the provisions of point 14 of section four of the Seventieth Additional Provision of Law 31/2022, of December 23.

3. Research and development expenses arising from research, development and technological innovation activities

Expenses derived from research, development and technological innovation activities referred to in article 35 of the LIS are considered research and development expenses.

The materialization of the reserve in research, development and technological innovation expenses will not be conditioned on its subsequent activation and will be considered realized as such expenses are accrued.

Note: *Materialization will be deemed to have occurred, even in cases of acquisition through financial leasing, at the time when the assets become operational.*

Amount of materialization of investments of letter A:

Regulations: see number 6 of section Four of the Seventieth Additional Provision. Law 31/2022, of December 23, on the General State Budget for the year 2023

- **Investment in assets:** the amount of the materialization reaches the **acquisition price or production cost of the assets**, excluding interest, indirect state taxes and their surcharges, without being able to be higher than their market value.
- **Research and development expenses:** the amount of the materialization of the reserve in expenses for research, development and technological innovation **will also reach** the projects contracted with universities, public research organizations or innovation and technology centers, officially recognized and registered and located in the Balearic Islands.

Limits on the amount of materialization of investments in letter A

Regulations: see number 6 of section Four of the Seventieth Additional Provision. Law 31/2022, of December 23, on the General State Budget for the year 2023

- **Intangible fixed assets:** The amount of the materialization of the reserve in intangible fixed asset assets may not exceed 50% of the total value of the investment project of which they form part, unless the taxpayers are considered small entities (article 101 LIS) in the tax period in which the profit from which the reserve is provided is obtained.
- **Preparatory and consultancy studies:** 50 percent of the amount of the costs of preparatory studies and consultancy will be counted when they are directly related to the investments foreseen in this letter A and the taxpayers are considered to be small-sized entities (article 101 LIS), in the tax period in which the profit is obtained from which the reserve is funded.

Letter B:

See Article 11 of the Regulations implementing the Special Tax Regime of the Balearic Islands, approved by Royal Decree 710/2024 of July 23.

Creation of jobs directly related to the investments provided for in letter A), which occur within a period of six months from the date of entry into operation of said investment and meet certain requirements for increasing staff.

The creation of jobs is determined by the increase in the average total workforce of the taxpayer produced in said period with respect to the average workforce of the 12 months prior to the date of entry into operation of the investment, provided that said increase is maintained for a period of five years, except in the case of taxpayers who meet the conditions of article 101 of the LIS in the tax period in which the profit from which the reserve is provided is obtained, who must maintain said increase for three years.

To calculate the company's total average workforce and its increase, the number of people employed will be taken into account, in accordance with the terms established by labour legislation, taking into account the contracted working hours in relation to the full working day.

Amount of materialization of investments of letter B

Regulations: see number 6 of section Four of the Seventieth Additional Provision. Law 31/2022, of December 23, on the General State Budget for the year 2023

In cases of job creation, the materialization will be considered to have occurred only during the first two years since the increase in staff occurs and will be computed, in each tax period, at the amount of the average cost of gross salaries and mandatory social contributions that correspond to said increase .

Clarifications:

- Job creation and changes in average staff will occur in all of the taxpayer's economic activities carried out in establishments located in the Balearic Islands.
- It will not be necessary for the new jobs to be filled by newly hired workers.

Letter C:

See art. 14 of the Regulation developing the Special Tax Regime of the Balearic Islands, approved by Royal Decree 710/2024, of July 23.

The subscription of shares or participations in the capital issued by companies as a result of their incorporation or capital increase that carry out their activity in the archipelago, provided that the requirements established in letter C of number 4 of section Four of the Seventieth Additional Provision of Law 31/2022, of December 23, on the General State Budget for the year 2023, are met.

These requirements are:

- These companies will make the investments provided for in letters A and B above, under the conditions regulated in this section. Provided that both the entity subscribing to the capital and the one making the investment meet the conditions of article 101 of the LIS (that is, the ones required to be small entities), in the tax period in which the profit is obtained from which the reserve is provided, it will be possible to make the investments of the aforementioned letters A and B under the terms and conditions provided for this type of taxpayers.
- These companies must make these investments within three years from the date of accrual of the tax corresponding to the year in which the taxpayer acquiring the shares or interests in its capital had provided the reserve regulated in this section.
- The assets thus acquired *d* must remain in operation in the Balearic Islands for at least five years under the terms set forth in the last paragraph of number 8 of section Four of the Seventieth Additional Provision of Law 31/2022, of December 23, on the General State Budget for the year 2023.
- The amount of the acquisition value of the investments made by the participating company must reach, at least, the amount paid for the shares or interests acquired by the taxpayer.

The investments made by the participating company **will not give rise to the application of any other tax benefit**.

For these purposes, the entity subscribing to the capital will proceed to reliably communicate to the issuing company the nominal value of the shares or interests acquired, as well as the date on which the period for the materialization of its investment ends. The issuing company shall reliably inform the entity subscribing to its capital of the investments made against its shares or interests whose subscription has led to the materialization of the reserve, as well as its date. The investments made will be deemed to be financed with the funds derived from the shares or interests issued according to the order in which their effective disbursement has occurred. In the case of disbursements made on the same date, they will be considered to contribute proportionally to the financing of the investment.

Amount of materialization of investments of letter C

Regulations: see number 6 of section Four of the Seventieth Additional Provision. Law 31/2022, of December 23, on the General State Budget for the year 2023

The materialization will be considered to have occurred in the amount disbursed upon subscription.

The amount paid as issue premium will also be considered as such.

Note: *The portion of the investment financed by grants will not be considered as the amount of materialization of the reserve.*

d) Incompatibilities

Regulations: number 11 of section Four of the Seventieth Additional Provision. Law 31/2022, of December 23, on the General State Budget for the year 2023

This deduction **It is incompatible, for the same goods and expenses**, with the [deductions to encourage the performance of certain activities under Article 68.2 of the Law IRPFABBR](#) and with any tax benefit or measure of a different nature that has the status of State aid under European Union law, if such accumulation exceeds the limits established in the Community law that, in each case, are applicable and that are indicated in the [table on aid limits to minimis](#) which includes section 3 of the Special Tax Regime of the Balearic Islands of this Manual.

In the case of **used assets and land**, these may not have previously benefited from the **reserve regime for investments in the Balearic Islands** or from the deductions to encourage the performance of certain activities regulated in the LIS .

Note: Please note that the reserve for investments in the Balearic Islands **is compatible** , as regards the creation of jobs, with the deduction for income derived from the sale of tangible goods produced in the Balearic Islands.

e) Anticipated investments of future endowments

Regulations: number 10 of section Four of the Seventieth Additional Provision. Law 31/2022, of December 23, on the General State Budget for the year 2023

Taxpayers may make advance investments, which will be considered as the materialization of the investment reserve that is allocated from profits obtained in tax period **in which the investment is made or in the three subsequent periods** , provided that the remaining requirements demanded in the same are met.

The aforementioned implementation and its financing system will be communicated together with the declaration of IRPFABBR of the tax period in which the advance investments are made.

f) Information to be provided in the personal income tax return

The maximum period for materialising the reserve for investments in the Balearic Islands (RIB) is three years, pursuant to the provisions of Additional Provision Seventieth. Four of Law 31/2022, of December 23, on the General State Budget for the year 2023.

This three-year period must be counted from the date of accrual of the tax corresponding to the year in which the allocation (accounting) of the reserve occurs and said allocation in the case of natural persons may be:

- at the close of the accounting period on December 31 of each year.
- in the year following the year in which the profit is obtained.

The above determines that natural persons will have an effective period of three or four years to materialize the reserve for investments in the Balearic Islands, depending on when they have made the accounting entry for the provision of the reserve (at the end of the financial year or in the following financial year). This duality (which does not occur in the case of Companies) is the reason for the design of the model. IRPFABBR.

Information on allocations and materializations made in 2025 from the reserve for investments in the Balearic Islands corresponding to the 2025 financial year and advance investments of future allocations will be provided in accordance with the breakdown contained in the corresponding section of Annex A.4 of the declaration as follows:

Provisions and materializations carried out in 2025

- **Box [1681], [1780] and [1937]**

Sand will indicate the amount of the allocation for the reserve for Investments in the Balearic Islands made in 2023, 2024 and 2025.

- **Box [1682], [1781] and [1938]**

The year in which the allocation is made will be indicated. (2023, 2024 and 2025).

- **Box [1684], [1782] and [1939]**

The amount of the materializations made against the previously declared allocation in the investments provided for in letters A and B of number 4 of section four of the Seventieth Additional Provision will be indicated. Law 31/2022, of December 23, on the General State Budget for the year 2023.

- **Box [1685], [1783] and [1940]**

The amount of the materializations made against the previously declared allocation in the investments provided for in letter C of number 4 of section four of the Seventieth Additional Provision will be indicated. Law 31/2022, of December 23, on the General State Budget for the year 2023.

- **Box [1689], [1784] and [1940]**

The amount of the previously declared allocation that is pending to be materialized as of December 31, 2025, will be indicated.

Advance investments of future allocations to the reserve for Investments in the Balearic Islands, made in 2025

It will be indicated in the boxes [1942] and [1943] respectively, the amount of investments made in 2025 as an advance materialization of future allocations in those provided for, on the one hand, in letters A and B and, on the other hand, in letter C, of number 4 of section four of the seventieth Additional Provision. Law 31/2022, of December 23, on the General State Budget for the year 2023.

2. Deduction for income derived from the sale of tangible assets produced in the Balearic Islands

Regulations: Seventieth Additional Provision. Five of Law 31/2022, of December 23, on the General State Budget for 2023.

Time scope: *This bonus will be applicable in the years 2023, 2024, 2025, 2026, 2027 and 2028 .*

Amount of deduction

- **In general**

He **10 percent** of the portion of the full tax liability reduced, where applicable, by the amount of the deduction for the reserve for Investments in the Balearic Islands, in the portion that proportionally corresponds to the income derived from the sale of tangible assets produced in the Balearic Islands by the beneficiaries of the deduction, without prejudice to the **limits established in community law that may affect it**.

See [table on the limits of aid to minimis](#) , which are applicable to the tax benefits of the Special Tax Regime of the Balearic Islands and are included in section 3 of this section on the special tax regime of the Balearic Islands.

- **Increase in bonus percentage**

The bonus **will be increased up to 25%** in those tax periods in which, in addition, there has been an increase in the average workforce in the terms indicated in the following section .

Clarifications:

In those cases where it is applicable in the IRPFABBRIn addition to this bonus (deduction),The deduction for the reserve for investments in the Balearic Islands, the quota eligible for bonus will be the full quota reduced by the amount of the deduction for the reserve for investments in the Balearic Islands, in the part that proportionally corresponds to the income derived from the sale of tangible goods produced in the Balearic Islands.

Likewise, in the case of marriage, if both spouses meet the requirements to apply this bonus, but only one of them is eligible for the increased percentage, and provided that the total amount of the joint declaration is less than the sum of the bonuses for both, they may choose to apply first the bonus of the spouse to whom the increased percentage applies.

Example:

Filer

- Income derived from tangible assets located in the Balearic Islands: 15,000
- Applicable bonus percentage: 25%

Spouse

- Income derived from tangible assets in the Balearic Islands: 5,000
- Applicable bonus percentage: 10%

Taxable Base for joint declaration (due to negative income): 18,000

General integral share joint declaration: 1,800

Share corresponding to the declarant's income: $1,800 \times 15,000 / 18,000 = 1,500$

Share corresponding to the spouse's income: $1,800 \times 5,000 / 18,000 = 500$

The sum of the quota corresponding to the returns of both exceeds the general total quota, so the maximum amount to which the bonus can be applied will be the amount of this (1,800).

Declarant bonus: $1,500 \times 25\% = 375$

Declarant bonus: $300 (*) \times 10\% = 30$

(*) When the declarant applies the bonus on 1,500, the spouse may only apply the bonus on the remaining amount of the fee: $1,800 - 1,500 = 300$

The amount of the bonus in joint taxation will be $375 + 30 = 405$

Requirements

The following requirements must be met to apply the bonus:

- That the **tangible assets produced in the Balearic Islands derive from the exercise of agricultural, livestock, industrial and fishing activities**, in the latter case in relation to the catches made in its fishing and aquaculture zone.
- That taxpayers **are domiciled in the Balearic Islands**. If taxpayers are domiciled in other territories, they must engage in the production of the aforementioned goods in the Balearic Islands through a branch or permanent establishment.

Note: Please note that this bonus does not apply to income derived from the sale of tangible goods produced in the Balearic Islands, typical of shipbuilding, synthetic fibres, the automobile industry, steel and coal industries.

- That taxpayers determine their income **under the direct estimate regime**.
- **Maintenance or increase of the template**.

- a. **For the application of the 10% percentage** it is required that the average workforce of the entity in said period is not less than the average workforce corresponding to the twelve months prior to the start of the first tax period in which the regime provided for in this section takes effect.

When the entity has been established within the aforementioned period of twelve months, the average workforce resulting from that period will be taken into account.

To calculate the average workforce, the number of people employed will be taken into account, in accordance with the terms established by labour legislation, taking into account the contracted working hours in relation to the full working day.

- b. **For the application of the increased percentage of 25%**, in addition to the previous requirement (maintenance of the average workforce), it will be necessary that there has been an increase in the average workforce of no less than one with respect to the average workforce of the previous tax period and that said increase is maintained for at least a period of three years from the date of completion of the tax period in which this increased bonus is applied.

To calculate the average number of employees of the entity, the number of people employed will be taken into account, in accordance with the terms established by labour legislation, taking into account the contracted working hours in relation to the full working day.

When the entity has been established in the first tax period in which the regime provided for in this section takes effect, the application of the bonus will require that it meets the requirements for the reduced tax rate for newly created entities regulated in article 29.1 of the LIS to be applied.

For these purposes, an economic activity, will not be deemed to have been started in accordance with article 29.1 of the LIS, in the following cases:

1. When the economic activity had been previously carried out by other persons or entities linked within the meaning of article 18 of this law and transferred, by any legal title, to the newly created entity.
2. When the economic activity has been carried out, during the year prior to the establishment of the entity, by a natural person who holds a direct or indirect interest in the capital or equity of the newly created entity exceeding 50 percent.

Entities that form part of a group under the terms established in article 42 of the Commercial Code, regardless of their residence and the obligation to prepare consolidated annual accounts, are also not considered newly created entities.

In this case, the following rules will be followed:

- a. Compliance with the requirement of maintaining employment in successive tax periods will refer to the average workforce of the entity's first tax period.
- b. To determine compliance with the requirement for increasing the average workforce of the entity, it will be understood that the figure corresponding to the first tax period prior to incorporation is zero.

- That the net returns eligible for bonuses are positive .

Note: Please note that this bonus **is compatible** , as far as job creation is concerned, with the reservation of investments in the Balearic Islands.

3. Adaptation of these benefits to the provisions of European Union law: limits, monitoring and control

Regulations: Seventieth Additional Provision. Six and Seven of Law 31/2022, of December 23, on the General State Budget for 2023.

Limits on tax benefits of the special tax regime of the Balearic Islands

These tax benefits (deduction for allocations to the Investment Reserve and deduction for returns derived from the sale of tangible assets produced in the Balearic Islands), together with any other aid received under the regulations on “*minimis*” aid , may not exceed the amounts established for their respective scope of application by the Regulations listed in the following table:

Regulations	sector/activity	Limits
REGULATIONS (EU) 2023/2831 OF THE COMMISSION, December 13, 2023, Regarding the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to aid from <i>minimis</i>. Validity: from 01-01-2024 to 31-12-2030 In this regard, please note that, in accordance with the transitional provision set out in Article 7, the Regulation will apply to aid granted before its entry into force if such aid meets all the conditions set out therein.	All except those in the following regulations Note: The following are not included in the <i>minimis</i> aid: • Aid conditional on the use of and services instead of imported ones. • Aid for export activities.	300,000 euros for any three year period. Notes: Please note that the maximum limit has been increased, as of January 1, 2024, from €200,000 to €300,000, and is the same for all types of activity, including road freight transport. Therefore, the specific limit for road freight transport activity that existed until then disappears. The calculation system has also been modified from three fiscal years to three years. The three-year period to be taken into account for the purposes of Regulation 2023/2831 must be assessed on an ongoing basis. For each new grant of de minimis aid, the total amount of de minimis aid granted in the previous three years (calculated from date to date) must be taken into account. Finally, it should be noted that, as of 1 January 2026, the Regulation (EU) Commission Regulation 2023/2831 of 13 December 2023 requires that information on de minimis aid granted be recorded in a central register at national or Union level.
REGULATION (EU) 1408/2013 OF THE COMMISSION , of 18 December 2013, relating to the application of articles 107 and 108 of the Treaty of the Functioning of the European Union to <i>minimis</i> aid in the agricultural sector.	Agricultural and livestock It only applies to companies engaged in the primary production of agricultural products. Note: Companies engaged in the processing and marketing of agricultural products, which are subject to the limits of the Regulation, are excluded. (EU) 2023/2831.	50,000 euros during any three-year period. The three-year period to be taken into account for the purposes of Regulation 1408/2013 must be assessed on an ongoing basis. For each new grant of de minimis aid, the total amount of de minimis aid granted in the previous three years (calculated from date to date) must be taken into account. Finally, it should be noted that, as of 1 January 2027, the Regulation (EU) Regulation (EC) No 2024/3118 of the Commission requires that information on de minimis aid granted be recorded in a central register at national or Union level.

Regulations	sector/activity	Limits
REGULATIONS (EU) 717/2014 OF THE COMMISSION, of 27 June 2014, on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to aid from <i>minimis</i> in the fishing and aquaculture sector.	Fishing and aquaculture It only applies to companies engaged in the primary production of fishery and aquaculture products. Note: Companies engaged in the processing and marketing of fishery and aquaculture products, which are subject to the limits of the Regulation, are excluded. EU) 2023/2831 [see Regulation (EU) 2023/2391].	€30,000 during any three-fiscal-year period. In these cases, it is calculated in the fiscal year of the concession and the two previous years. Note Spain, for its part, has set the aforementioned limit at 40,000 euros by Royal Decree 1139/2024, of November 11, which regulates the maximum limit of de minimis aid in the agricultural and fisheries sector and the procedure to ensure that the national and sectoral limits established in European regulations are not exceeded.
REGULATIONS (EU) 2023/2832 OF THE COMMISSION, dated December 13, 2023, relating to the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to aid from <i>minimis</i> granted to companies that provide services of general economic interest. Validity: from 01-01-2024 to 31-12-2030 In this regard, it should be noted that, in accordance with the transitional provision set out in Article 7 thereof, the aforementioned Regulation shall apply to aid granted before its entry into force if such aid meets all the conditions set out therein.	Services of general economic interest	750,000 euros over any three year period. The three-year period to be taken into account for the purposes of Regulation 2023/2831 must be assessed on an ongoing basis. For each new grant of de minimis aid, the total amount of de minimis aid granted in the previous three years (calculated from date to date) must be taken into account. Finally, it should be noted that, as of 1 January 2026, the Regulation (EU) Commission Regulation 2023/2832 of 13 December 2023 requires that information on de minimis aid granted be recorded in a central register at national or Union level.
Common notes: 1. For the calculation of fiscal years, the period in which the aid is granted will be taken into account, regardless of when it is collected (the allocation criterion applied to current subsidies). For the calculation of years, the date at which the aid is granted will be taken into account. 2. The limits set refer to the total amount of de minimis aid granted by a Member State to a single company.		

Monitoring and control of tax benefits.

- The Joint Committee on Economy and Finance between the State and the Autonomous Community of the Balearic Islands provided for in article 125 of the Statute of Autonomy of the Balearic Islands will be responsible for monitoring the application of the special tax regime of the Balearic Islands.

To this end, a monitoring report on the application of tax benefits will be produced annually, and an effectiveness check will be carried out in 2028 to determine whether the economic objectives pursued by the tax benefits have been achieved. The implementation of these objectives, as well as the body responsible for carrying out the effectiveness control, will be determined by regulation.

The effectiveness of the Special Tax Regime of the Balearic Islands must be monitored by the commission for the exchange and analysis of statistical data provided for in Article 3.2 of Royal Decree-Law 4/2019, of February 22, on the Special Regime of the Balearic Islands, under the overall coordination of the Joint Commission on Economy and Finance between the State and the Autonomous Community of the Balearic Islands.

- For these purposes, the beneficiaries must present within the declaration period of IRPFABBR, and prior to the submission of form 100, an informative statement relating to the various aid measures or schemes received. This statement shall include detailed information on the incentives in question, which shall be subject to verification.

In this regard, see article 32 of the Regulation for the development of the Special Tax Regime of the Balearic Islands, approved by Royal Decree 710/2024, of July 23, by virtue of which Order HAC /1031/2024, of September 25, is approved, which approves form 283, "Annual informative declaration of aid received within the framework of the Special Tax Regime of the Balearic Islands" and determines the conditions and procedure for its presentation.

Deductions for incentives and stimuli for business investment in economic activities in objective estimation

Regulations: Articles 68.2 and 69.2 Law IRPFABBR

In the case of taxpayers who carry out economic activities and determine their net income using the objective estimation method, the incentives and stimuli for business investment established or to be established in the Corporate Tax regulations will only apply to them when so established by regulation, taking into account the characteristics and formal obligations of the aforementioned method.

During the 2025 fiscal year, the application of any of these incentives has not been established by regulation.

Deductions for donations and other contributions

Regulations: Articles 68.3, 69.1 Law IRPFABBR; 69.2 Regulation IRPFABBR

Donations made to entities included in the scope of Law 49/2002

Regulations: Art. 68.3.a) Law IRPFABBR and Law 49/2002, of December 23, on the tax regime of non-profit entities and tax incentives for patronage

In general, donations and donations Entities benefiting from patronage

1. Entities benefiting from patronage

Regulations: see arts. 2 and 16 and additional provisions fifth, sixth, seventh, eighth, ninth, tenth, eighteenth and nineteenth Law 49/2002, of December 23, on the tax regime of non-profit entities and tax incentives for patronage

Donations, gifts and contributions made by the taxpayer to any of the entities listed below give the right to the deduction:

- a. Foundations and associations declared to be of public utility, included in the scope of Law 49/2002, of December 23, on the tax regime of non-profit entities and tax incentives for patronage (BOE of December 24).
- b. Non-governmental development organizations referred to in Law 23/1998, of July 7, on International Cooperation for Development, provided that they have the legal form of foundations and associations declared to be of public utility, included in the scope of application of Law 49/2002.
- c. The Spanish sports federations, the regional sports federations integrated into those, the Spanish Olympic Committee and the Spanish Paralympic Committee.
- d. The federations and associations of non-profit entities referred to in the preceding paragraphs.
- e. Entities not resident in Spanish territory that operate there with a permanent establishment and are similar to some of those provided for in the previous letters.

Entities resident in a non-cooperative jurisdiction will be excluded, unless it is a Member State of the European Union and it is proven that their incorporation and operation respond to valid economic reasons.

- f. Entities resident in a Member State of the European Union or in other Member States of the European Economic Area with which there are regulations on mutual assistance in matters of exchange of tax information in the terms provided for in the LGT , which is applicable, without permanent establishment in Spanish territory, which are analogous to any of those provided for in the previous letters.

In relation to the LGT see Law 58/2003, of December 17, General Tax.

Entities resident in a non-cooperative jurisdiction will be excluded, unless it is proven that their incorporation and operation respond to valid economic reasons.

- g. The State, the Autonomous Communities and the Local Entities, as well as the autonomous bodies of the State and the autonomous entities of a similar nature of the Autonomous Communities and the Local Entities.
- h. Public universities and the colleges affiliated with them.
- i. The Cervantes Institute.
- j. The Ramon Llull Institute and other institutions with similar purposes in the Autonomous Communities with their own official language.
- k. Public Research Bodies dependent on the General State Administration.
- l. The Spanish Red Cross and the Spanish National Organization for the Blind.
- m. The Pious Work of the Holy Places.
- n. The consortia Casa de América, Casa de Asia, “Institut Europeu de la Casa de la Mediterrània” and the National Museum of Art of Catalonia.
- o. Foundations of religious entities registered in the Registry of Religious Entities that meet the requirements for non-profit entities established in Law 49/2002.
- p. Entities of the Catholic Church contemplated in Articles IV and V of the Agreement on Economic Affairs signed between the Spanish State and the Holy See and entities of other churches, confessions or religious communities, which have signed cooperation agreements with the Spanish State.
- q. The Institute of Spain and the Royal Academies integrated within it, as well as the institutions of the Autonomous Communities that have purposes analogous to those of the Royal Spanish Academy.
- r. The National Prado Museum.
- s. The Reina Sofia National Art Center Museum.

2. Deductible concepts and basis of deduction

Regulations: See arts. 17 and 18 of Law 49/2002, of December 23, on the tax regime of non-profit entities and tax incentives for patronage

Donations, gifts, and contributions of an irrevocable, pure and simple nature will be eligible for deduction, that is, those that do not represent a present or future consideration for a good or service for the donor. According to the above, the types of donations that entitle to the deduction and the basis thereof are the following:

- **Monetary donations** . The basis for the deduction is the amount of the donation.

- **Donations or gifts of goods or rights.** The basis for the deduction will be the book value of the aforementioned assets or rights at the time of their transfer and, failing that, the value determined in accordance with the rules of the Wealth Tax.
- **Membership fees to associations other than political parties that do not correspond to the right to receive a present or future benefit.** The basis for the deduction is the amount of the installments.
- **Constitution of the real right of usufruct over goods, rights or securities, carried out without compensation.** In these cases, the deduction base will consist of:
 - a. **Usufruct over real estate.** 2% of the cadastral value of the property for each year of duration of the usufruct, determined proportionally to the number of days corresponding to each tax period.
 - b. **Usufruct over securities.** The annual amount of dividends or interest received by the usufructuary in each of the tax periods of duration of the usufruct.
 - c. **Usufruct over other assets or rights.** The annual amount resulting from applying the legal interest on money in each financial year to the value of the usufruct at the time of its creation in accordance with the regulations of the Tax on Property Transfers and Documented Legal Acts.
- **Donations or gifts of goods that form part of the Spanish Historical Heritage or of cultural assets of guaranteed quality** . In both cases, the basis for the deduction will be the assessment carried out for this purpose by the Qualification, Valuation and Export Board.
- From January 1, 2024, the **transfer of use of a movable or immovable asset**, for a specific time, carried out **without compensation**.

The deduction base will consist of the amount of expenses incurred by the transferor in relation to such assets during the transfer period, provided that they were considered tax-deductible expenses if they were transferred for consideration and are duly accounted for when the transferor is required to keep accounting records in accordance with the Commercial Code or equivalent legislation.

In no case will taxes or interest on foreign capital invested in the acquisition or improvement of the property and other financing costs form part of the basis for the deduction.

The value determined in accordance with the above rules **has as its maximum limit** the normal market value of the asset or right transferred at the time of its transfer.

Note: Article 23.1 of Law 49/2002 states that they will be exempt from IRPFABBR that taxes the income of the donor or contributor on capital gains and positive income that become apparent as a result of the donations, gifts and contributions referred to in article 17 of that same Law.

Special rule: right to deduction in the case of purely symbolic consideration

Article 17.2 of Law 49/2022 establishes that donations and contributions will also give rise to a deduction even when the donor or contributor may receive goods or services of a symbolic nature delivered or provided by the donee or beneficiary, provided that the value of the goods and services received:

- does not represent more than 15 100% of the value of the donation, gift or contribution, and
- does not exceed the amount of 25,000 euros.

The aim of this is to ensure that the irrevocable, pure and simple nature of donations, gifts and contributions is not lost, generating the right to deduction, in those cases in which the donor could receive an honorary mention or reputational recognition, simply due to his status as a donor, provided that such mention or recognition lacks economic relevance, such that it cannot be considered consideration for the purposes of the right to deduction.

In order to specify which goods and services received by the donor from the donee lack economic relevance, avoiding the donation from acquiring an onerous character, not pursued by the legislator, the amount that the donor could receive is limited to 15 100% of the value of the donation, gift or contribution made, and in any case a maximum limit of 25,000 euros is established.

Note: As a general rule, only donations, gifts and contributions of an irrevocable, pure and simple nature, that is, those made by the donor free of charge and without compensation, are eligible for deduction.

However, this rule has been extended from January 1, 2024 to those donations in which there is a merely symbolic consideration. In such cases, the right to a deduction will also be generated provided that:

- the value of the consideration received does not represent more than 15 100% of the value of the donation, gift or contribution made, and
- with a maximum limit of 25,000 euros.

3. Deduction percentages

Regulations: see art. 19 Law 49/2002, of December 23, on the tax regime of non-profit entities and tax incentives for patronage

Note: The amount of this deduction will be recorded in box **[0723]** of Annex A.1. of the statement.

a. In general

Taxpayers will be entitled to deduct from the total tax liability the result of applying to the deduction base corresponding to the set of donations and contributions with the right to deduction, determined in accordance with the provisions of the previous section, the following scale applicable during the tax period 2025:

Deduction base Amount up to	Percentage of deduction
250 euros	80
Remaining deduction base	40
Increased rate for repeated donations to the same entity	45

b. Increased rate for repeated donations to the same entity

Important: the application of the deduction percentage for **donations to the same entity** requires donations **for at least three consecutive years**. Therefore, from 2024 onwards, the number of years is reduced from 4 to 3. years in which donations must be made to the same entity for an amount equal to or greater than that of the previous year, in order for the 5-point increase in the deduction percentage to apply, which **It rises from 40 to 45 percent**.

Therefore, in order to apply in 2025 the increased deduction percentage for donations made to the same entity, it is necessary to have made donations to the same entity in 2023 and 2024, and that the amount of the donation made in 2025 and 2024 is equal to or greater than that made in the immediately preceding year.

If in the two tax periods immediately prior to the actual tax year of the declaration, donations, gifts or contributions with the right to deduction have been made in favor of the same entity, the amount of the donation, gift or contribution of this year and that of the previous tax period being equal to or greater, in each of them, than that of the immediately preceding year, the percentage of deduction applicable to the base of the deduction in favor of that same entity that exceeds 250 euros, will be **45 per 100**.

Donations, donations and contributions for priority patronage activities

1. Applicable percentages

Regulations: See art. 22 Law 49/2002, of December 23, on the tax regime of non-profit entities and tax incentives for patronage

Note: The amount of this deduction will be recorded in box **[0722]** of Annex A.1 of the declaration.

In the case of amounts donated or paid to the entities listed above and which are allocated by them to the implementation and development of priority patronage activities and programs, the above percentages will be increased by five percentage points, that is:

Deduction base Amount up to	Percentage of deduction
250 euros	85
Remaining deduction base	45
Increased rate for repeated donations to the same entity	50

Attention : Please note that, since the General State Budget for 2025 has not been approved, the General State Budget for 2023 has been extended. Therefore, the priority patronage activities regulated by Additional Provision Fifty-Seventh of Law 31/2022 remain in force.

With regard to the percentages and limits of deduction established in Article 19 of the aforementioned Law 49/2002, of December 23, for 2025 Article 19 is applicable in the wording given by Royal Decree-Law 6/2023, of December 19, although as a consequence of the extension of the General State Budgets of 2023 it must be understood that the aforementioned percentages will be increased, where appropriate, by five percentage points in relation to the priority patronage activities in accordance with the provisions of section Two of the Fifty-Seventh Additional Provision of the aforementioned Budget Law of 2023.

2. Priority sponsorship activities in 2025

Regulations: Fifty-seventh Additional Provision of Law 31/2022, of December 23, on the General State Budget for the year 2023 (BOE of December 24) and art.1 Royal Decree-Law 8/2025, of July 8 (BOE July 9th)

Note: In accordance with Article 134.4 of the Spanish Constitution, the General State Budget for 2023 has been extended, so the priority patronage activities and percentages in force during 2023 remain in effect.

Therefore, the priority sponsorship activities in the 2025 fiscal year are the following:

1. Those carried out by the Cervantes Institute for the promotion and dissemination of the Spanish language and culture through telematic networks, new technologies and other means.
2. The activities carried out by the Museo Nacional del Prado to achieve its objectives established in Law 46/2003, of November 25, regulating the Museo Nacional del Prado and in Royal Decree 433/2004, of March 12, approving the Statute of the Museo Nacional del Prado.
3. The activities carried out by the Museo Nacional Centro de Arte Reina Sofía in compliance with the purposes established by Law 34/2011, of October 4, regulating the Museo Nacional Centro de Arte Reina Sofía and by Royal Decree 188/2013, of March 15, approving the Statute of the Museo Nacional Centro de Arte Reina Sofía.
4. Those carried out by the National Library of Spain in compliance with the cultural and scientific research purposes and functions established by Law 1/2015, of March 24, regulating the National Library of Spain and by Royal Decree 640/2016, of December 9, approving the Statute of the National Library of Spain.
5. Those carried out by the Young Sports Foundation in collaboration with the Higher Sports Council within the framework of the project "Spain Competes: in Business as in Sports" with the aim of contributing to the promotion and projection of Spanish SMEs in the domestic and international sphere, the empowerment of sport and the promotion of the entrepreneur as an engine of growth associated with the values of sport.

Donations, gifts and contributions to the activities indicated in the previous paragraph that, in accordance with Section Two of the Fifty-seventh Additional Provision of Law 31/2022, of December 23, on the General State Budget for the year 2023, may benefit from an increase by five percentage points of the percentages and limits of the deductions established in articles 19, 20 and 21 of the aforementioned Law 49/2002 will have a limit of 50,000 euros per year for each contributor.

6. The conservation, restoration or rehabilitation of the assets of the Spanish Historical Heritage listed in Annex XIII of Law 31/2022, of December 23, on the General State Budget for the year 2023.
7. Activities to promote and disseminate the performing and musical arts carried out by public administrations or with their support.
8. Those carried out by the Institute of Cinematography and Audiovisual Arts for the promotion, dissemination and exhibition of cinematographic and audiovisual activity, as well as all those measures aimed at the recovery, restoration, conservation and dissemination of cinematographic and audiovisual heritage, all within a context of defense and promotion of cultural identity and diversity.
9. Research, development and innovation in the infrastructures that are part of the National Map of Unique Scientific and Technical Infrastructures (ICTS) in force and which, for this purpose, are listed in Annex XIV of Law , of December 23, on the General State Budget for the year 2023 (BOE of December 24).

10. Research, development and innovation aimed at solving the challenges of society identified in the current Spanish Strategy for Science, Technology and Innovation and financed or carried out by entities that, for these purposes, are recognized by the Ministry of Finance and Civil Service (current Ministry of Finance) , at the proposal of the Ministry of Science and Innovation (current Ministry of Science, Innovation and Universities).
11. Research, development and innovation aimed at solving society's challenges carried out by the Public Research Organizations Higher Council for Scientific Research, Carlos III Health Institute, Energy, Environmental and Technological Research Center, and the Canary Islands Institute of Astrophysics
12. The promotion of the dissemination, dissemination and communication of scientific culture and innovation carried out by the Spanish Foundation for Science and Technology.
13. Those carried out by the State Research Agency for the promotion and financing of actions arising from the R&D policies of the General State Administration.
14. R&D&I in Biomedicine and Health Sciences of the Strategic Action in Health carried out by CÍBER and CIBERNED.
15. Training and volunteer promotion programmes that have been subsidised by public authorities.
16. Those carried out by the ONCE Foundation within the framework of the "Opportunity for Talent" Scholarship Program, as well as the activities developed by this entity within the framework of the Training Program in Digital and Technological Skills and Professions "Por Talento Digital".
17. Those carried out by the ONCE Guide Dog Foundation within the framework of Project 2022-2023 "Advances for the mobility of blind people assisted by guide dogs."
18. Programmes aimed at eradicating gender violence that have been subsidised by public authorities or are carried out in collaboration with them.
19. Those carried out by the Soledad Cazorla Scholarship Fund for orphans of gender violence (Mujeres Foundation).
20. Those carried out by Public Universities in compliance with the educational, scientific, technological, cultural and knowledge transfer purposes and functions established by Organic Law 6/2001, of December 21, on Universities.
21. The programs and activities related to the celebration of the following events of exceptional public interest, provided they have been approved by the respective Consortium:
 - "Plan to promote opera on Calle del Teatro Real"
 - "Bicentennial of the National Police"
 - "Santiago Ramón y Cajal Research Year 2022"
 - "Lebaniego Jubilee Year 2023-2024"
 - "Caravaca de la Cruz 2024. Jubilee Year"
 - " Inauguration of the Royal Collections Gallery"

- “60th Anniversary of the Porta Ferrada Festival”
- “THEY ARE GOOD” Program
- “Ryder Cup 2031”
- “Open Barcelona-Conde de Godó Trophy”
- “125th anniversary of the Royal Tennis Club of Barcelona”
- “750th anniversary of the Consolat del Mar”
- “Congress of the International Union of Architects”
- “Sónar International Festival of Music, Creativity and Technology”
- “XXXVII Copa America Barcelona”
- Sports program “CHALLENGE OF”
- “Barcelona Music Lab. The Future of Music”
- “Primavera Sound, created in Barcelona”
- “Tàpies Year. One hundred years since the birth of the artist Antoni Tàpies (1923 – 2012)”
- “Eduardo Chillida 100 years”
- “Eighth Centenary of the Gothic Cathedral of Toledo, Primate of Spain”
- “Holy Year of St. James 2027”
- “Centenary of the Generation of ’27”
- “Classical music for everyone”
- “150th anniversary of the birth of Pau Casals”
- “Petit Liceu”
- “Joan Miró Foundation 50th anniversary”
- “Gaudí Centenary 2026”
- “fiftieth anniversary of the Teatre Lliure”
- “Porta Ferrada Festival”
- “Twentieth anniversary of the Bilbao BBK Live Festival”
- “75th edition of the Granada Music and Dance Festival”
- “150th anniversary of the birth of Manuel de Falla”
- “Dansàneu, Festival of Cultures of the Pyrenees”
- “San Diego Comic-Con Malaga”
- “Preparation program for Spanish athletes for the Los Angeles 2028 Games”
- “Universe Woman IV”
- “Spanish Motorcycle Grand Prix”
- “Inclusive Sport III”
- “Plan 2030 for Support of Grassroots Sport II”
- “Ironman Calella-Barcelona”
- “Barcelona Mobile World Capital”
- “Barcelona 2026 World Capital of Architecture”
- “Canary Islands Rally”

Note: see article 27.3.Second of Law 49/2002, of December 23, on the tax regime of non-profit entities and tax incentives for patronage and the Resolution of January 25, 2018, of the General Directorate of Taxes, which approves the Manual for the application of the tax benefits provided for in the first section of article 27.3 of Law 49/2002, of December 23, on the tax regime of non-profit entities and tax incentives for patronage, corresponding to advertising and publicity expenses of multi-year projection, which serve to promote events of exceptional public interest (BOE of February 2) which contains the applicable rules.

Please also note the Resolution of June 9, 2022, of the General Directorate of Taxes, which interprets the criteria of the Manual for the application of the tax benefits provided for in the first section of article 27.3 of Law 49/2002, of December 23, on the tax regime of non-profit entities and tax incentives for patronage, corresponding to advertising and publicity expenses with a multi-year projection, which serve to promote events of exceptional public interest, approved by the Resolution of January 25, 2018.

Example: Deduction for donations made to entities included in the scope of Law 49/2002

Mr. SMA has made the following donations:

- To the NGO “TT” included within the scope of Law 49/2002 to which they had not previously made any donation, the amount of 1,000 euros in 2025.
- To the “XX” foundation included within the scope of Law 49/2002, to which the following donations have been made since 2022 for priority patronage activities:

Financial year	2022	2023	2024	2025
Donation	500 euros	700 euros	1,000 euros	1,000 euros

Determine the amount of the donation deduction that corresponds to you in 2025.

Solution:

Deduction base $(1,000 + 1,000) = 2,000$

Amount of the donation deduction = 1,000

Breakdown of amounts:

a. Donations to the NGO “TT”

(1,000 euros) [\(1\)](#)

250 euros at 80% = 200

750 at 40% = 300

b. Donations to the “XX” Foundation

(1,000 euros) [\(2\)](#)

1,000 euros at % =

Total $(200 + 300 + 500) = 1,000$

Notes to the example:

(1) The percentages provided for in Article 19 of Law 49/2002 for donated amounts are applied to the 1,000 euros donated for the first time to the NGO "TT" that have not been allocated to priority patronage activities and programs. [\(Back\)](#)

(2) The percentage of 50% is applied to the 1,000 euros donated to the "XX" foundation for priority patronage activities and programs. is the result of increasing by five percentage points the percentage provided for in article 19 of Law 49/2002 for cases in which the taxpayer, in the two immediately preceding tax periods, has made donations to the same entity for an amount equal to or greater, in each of them, than that of the previous year ($45\% + 5\% = 50\%$).

Please note that from 2024, And as a consequence of the reduction from 4 to 3 of the number of years in which donations must be made to the same entity for an amount equal to or greater than that of the previous year, in 2025 only the amounts donated in 2023 and 2024 have been taken into account, not those of 2022 as was the case until December 31, 2023. [\(Back\)](#)

Donations made to entities not included in the scope of Law 49/2002

Regulations: Art. 68.3.b) Law IRPFABBR

The amounts donated to legally recognized foundations that are accountable to the corresponding protectorate body, as well as to associations declared to be of public utility, not included in the scope of application of Law 49/2002 of **December**, on the tax regime of non-profit entities and tax incentives for patronage (BOE of December 24) give the right to a deduction of ~~##1##~~ 10 percent.

Note: The amount of this deduction will be recorded in box **[0724]** of Annex A.1 of the declaration.

Contributions to Political Parties, Federations, Coalitions or Voter Groups

Regulations: Art. 68.3.c) Law IRPFABBR

Membership fees and contributions to Political Parties, Federations, Coalitions or Voter Groups are eligible for a deduction of **20 percent**

The maximum base for this deduction will be **600 euros per year** and will consist of the membership fees and contributions provided for in letter a) of section Two of article 2 of Organic Law 8/2007, of July 4, on the financing of political parties.

Note: The amount of this deduction will be recorded in box **[0725]** of Annex A.1 of the declaration.

Common requirements for deductions for donations, donations and contributions

As **general common requirement**, to be entitled to make deductions for any of the concepts listed above, the effectiveness of the donation made must proven.

In particular,

a. In the deduction for donations to entities included in the scope of Law 49/2002

Regulations: see art. 24 Law 49/2002, of December 23, on the tax regime of non-profit entities and tax incentives for patronage

Deductions for donations , donations and deductible contributions, made under the deduction regime established by Law 49/2002 must be accredited by means of **certification** issued by the beneficiary entity, in which, in addition to the tax identification number of the donor and the entity, the following is stated:

1. Express mention that the recipient entity is included among those regulated by the aforementioned law.
2. Date and amount of the donation, when it is monetary.
3. Public document or other authentic document certifying the delivery of the donated property, when it does not involve monetary donations.
4. Destination that the recipient entity will give to the donated object in the fulfillment of its specific purpose.
5. Express mention of the irrevocable nature of the donation, without prejudice to the provisions of mandatory civil regulations governing the revocation of donations. In this regard, it should be noted that in accordance with the provisions of article 4 of Organic Law 8/2007, of July 4, on the financing of political parties (BOE of July 5), donations made in accordance with the provisions of said Law are irrevocable.

b. In contributions to Political Parties, Federations, Coalitions or Voter Groups

Regulations: see art. 13 Organic Law 8/2007, of July 4, on the financing of political parties

The application of the deduction for contributions made to political parties is conditional on the taxpayer having the document proving the contribution, donation or fee paid to the receiving political party.

c. In the deduction for donations to entities not included in the scope of Law 49/2002

Regulations: see art. 69.2 of the Regulations of IRPFABBR

Finally, **the beneficiary entities** of donations that entitle them to the 10% deduction must submit an information declaration on the donations received during each calendar year, in which, in addition to their identification data, they will include the following information regarding the donors:

- a. Name and surname.
- b. Tax identification number.
- c. Donation amount.
- d. Indication of whether the donation entitles the person to the application of any of the deductions approved by the autonomous communities.

Note: *In the event that, once the donation has been made, it is subsequently revoked, the amounts corresponding to the tax benefits enjoyed must be entered in the declaration for the tax period in which said revocation occurs, without prejudice to any applicable late payment interest.*

Applicable limit

Regulations: Art. 69.1 Law IRPFABBR

The deduction base for donations, gifts and other contributions may not, as a general rule, exceed **10 percent of the taxable base for fiscal year** .

Notwithstanding the foregoing, the deduction base for donations, gifts and contributions intended for the implementation and development of priority patronage activities and programs previously listed in point 1.2 above, may reach **15 percent of the taxable base for fiscal year** .

The taxable base for the year is made up of the sum of boxes **[0500]** and **[0510]** of the declaration.

In the case of having negative tax bases from previous years, the amount of the general taxable base subject to tax will be taken into account to calculate this limit, boxes **[0505]** of the declaration .

Deduction for income obtained in Ceuta or Melilla

Regulations: Articles 68.4 Law IRPFABBR and 58 Regulation IRPFABBR

Modalities

The application of the deduction for income obtained in Ceuta or Melilla has different modalities depending on whether the taxpayer resides or not in Ceuta or Melilla and, in the case of taxpayers resident in these cities, depending on whether the period of residence is less than, equal to or greater than 3 years. Consequently, the deduction has the following modalities:

a. **Taxpayers residing in Ceuta or Melilla for a period of less than three years**

For taxpayers who have their habitual and effective residence in Ceuta or Melilla, the deduction consists of **60 percent** of the part of the of the full state and regional quotas that proportionally corresponds to the income computed for the determination of the taxable bases that would have been obtained in Ceuta or Melilla.

b. **Taxpayers residing in Ceuta or Melilla for a period of three years or more**

Taxpayers who maintain their habitual and effective residence in Ceuta or Melilla for a period of no less than three years, in tax periods beginning after the end of that period, **may also apply the same deduction for income obtained outside of said cities**.

To do this, the following **requirement must be met: q that at least one third of the net assets of taxpayer**, determined in accordance with the Wealth Tax regulations, **is located in Ceuta or Melilla**.

The **maximum amount** of income, obtained outside of said cities, that can enjoy the deduction will be the **net amount of the returns and capital gains and losses obtained in said cities**.

c. **Taxpayers without residence in Ceuta or Melilla**

Taxpayers who do not have their habitual and effective residence in Ceuta or Melilla may deduct **60 percent** of the part of the **sum of the full state and regional contributions** that proportionally corresponds to the income computed for the determination of the positive taxable bases that would have been obtained in Ceuta or Melilla.

Note: *In no case can the deduction be applied, in this modality (taxpayers not resident in Ceuta and Melilla), on the following income:*

- *Those from Collective Investment Institutions, except when all of their assets are invested in Ceuta or Melilla.*
- *The returns on work.*
- *Capital gains arising from movable property located in Ceuta or Melilla.*
- *Income from deposits or accounts in all types of financial institutions located in Ceuta or Melilla.*

Income that is considered obtained in Ceuta or Melilla

For these purposes, the following incomes are considered to be obtained in Ceuta or Melilla:

- **The returns on labor**, when they derive from work of any kind carried out in said territories and, in particular, unemployment benefits and those regulated in article 17.2.a) of the Law of IRPFABBR (pensions and passive income, benefits received by beneficiaries of mutual societies, pension plans, insurance contracts entered into with social welfare mutual societies that generate income from work in accordance with the provisions of the aforementioned article, insured pension plans and the benefits received by beneficiaries of company social welfare plans and dependency insurance).

Note: For the purposes of applying this deduction, residence is given by the fact of residing or dwelling as a material and effective reality.

Therefore, the taxpayer who, at least for part of the tax period, has resided in Ceuta or Melilla, has the right to the deduction in proportion to the time of his residence in said cities. Interpretative criteria established by the Supreme Court in Judgment No. 1219/2020, of September 29, issued in the administrative appeal No. 1735/2019 (ROJ : STS 3175/2020).

The factual assumption set out above by the Supreme Court in Judgment No. 1219/2020 includes the mere fact of living or residing "temporarily" in said territories with overnight stays included . Resolution of the Central Economic-Administrative Court (TEAC), dated July 24, 2023, Claim number 00/00453/2023, issued in an extraordinary appeal for unification of criteria.

- **Income from ownership of real estate** located in Ceuta or Melilla or property rights that affect them.
- **Income from economic activities** actually carried out in Ceuta or Melilla. For these purposes, economic activities effectively carried out in Ceuta or Melilla are considered to be those that close a commercial cycle in these territories that determines economic results or involves the provision of a professional service in said territories.

It is estimated that these circumstances do not apply when it comes to isolated operations of extraction, manufacturing, purchase, transportation, entry and exit of goods or effects and, in general, when the operations do not determine income by themselves.

In the case of fishing and maritime activities, the rules established in article 33.4 and 5 of the LIS will apply. See in this regard Law 27/2014, of November 27, on Corporate Tax (BOE of November 28).

- **Capital gains** arising from real estate located in Ceuta or Melilla or from personal property located in said territories.
- **Income from movable capital** arising from bonds or loans, when the capital is invested in said territories and the corresponding income is generated there.
- **Income from movable capital** derived from the leasing of movable property, businesses or mines, when the object of the lease is located in Ceuta or Melilla and is effectively used in said territories.

- **Income from companies** that operate effectively and materially in Ceuta or Melilla that correspond to income to which the bonus established in article 33 of the LIS is applicable, in the following cases:
 1. When they have their domicile and exclusive corporate purpose in said territories.
 2. Income from deposits or accounts in all types of financial institutions located in Ceuta or Melilla.
 3. When they operate effectively and materially in Ceuta or Melilla for a period of no less than three years and obtain income outside of said cities, provided that with respect to said income they are entitled to the application of the bonus provided for in section 6 of article 33 of the LIS . For these purposes, the reserves from income to which the bonus established in article 33 of the LIS would have been applied must be identified.

To identify the reserves derived from these incomes, the entities that obtain income entitled to the application of the bonus provided for in article 33.6 of the LIS They must include in the annual accounts report the information specified in Article 58.2 of the Regulation of IRPFABBR

Precision: Article 33 of the LIS establishes for taxpayers of the aforementioned tax a 50% bonus on the part of the full quota that corresponds to income obtained in Ceuta or Melilla by entities that operate effectively and materially in said territories.

Section 6 of the aforementioned article 33 of the LIS determines that entities that operate effectively and materially in Ceuta or Melilla for a period of no less than 3 years may apply the bonus provided for in said article 33 for income obtained outside said cities in the tax periods that end after the aforementioned period has elapsed when at least half of their assets are located in those cities. However, income from the leasing of real estate located outside of these territories is exempt from the provisions of this section. The maximum amount of income with the right to the rebate is that of the income obtained in Ceuta and Melilla.

- **Income from deposits or accounts** in all types of financial institutions located in Ceuta or Melilla.

Maximum deduction limit

The amount of the deduction for income obtained in Ceuta or Melilla may not in any case exceed **60 percent** of the **portion of the sum of the state and regional tax quotas** .

Attention : *The total amount of the deduction for income obtained in Ceuta or Melilla will be entered in box [0727] of Annex A.2 of the declaration.*

Example: Deduction for income obtained in Ceuta or Melilla

Mr. MVC, single and without children, moved his residence from Cadiz to Ceuta on August 20, 2023, and has resided in this city since that date. During the year 2025 has obtained the following income:

- Reduced net labor output: 31,000
- Reduced net income from capital assets: 500
- Reduced net return on real estate capital: 3.200
- Reduced capital gain attributable to 2025: 20,000

The net income from work comes from his employment relationship with a company located in Ceuta. Income from movable capital corresponds to interest from accounts in financial institutions located in Ceuta. For its part, the income from real estate capital corresponds to an apartment he owns located in Cadiz and which was rented from January 1 to September 30, 2025. On October 1, 2025, he proceeded to sell said apartment, obtaining as a result of the transfer a reduced capital gain of 20,000 euros.

Determine the amount of the deduction for income obtained in Ceuta in the 2025 financial year.

Solution:

***Previous note:** Having resided in Ceuta for a period of less than three years, the deduction for income obtained in Ceuta may only be applied to the full state and regional quotas that proportionally correspond to the income obtained in Ceuta (net income from work and net income from movable capital).*

General taxable base and general taxable base $(31,000 + 3,200) = 34,200$

Taxable savings base and taxable savings base $(20,000 + 500) = 20,500$

Minimum personal and family = 5,550

1. Full share corresponding to the general taxable base

a. Application of the tax scales to the general taxable base (34,200.00)

Overall scale

Up to 20,200.00: 2,112.75

Remaining 14,000.00 at 15%: 2,100

Odds 1 $(2,112.75 + 2,100) = 4,212.75$

Autonomous scale

Up to 20,200.00: 2,112.75

Remaining 14,000.00 at 15%: 2,100

Odds 2 $(2,112.75 + 2,100) = 4,212.75$

b. Application of the tax scales to the general taxable base corresponding to the personal and family minimum

General scale 5,550 at 9.50%: 527.25

Odds 3 = 527.25

Regional scale 5,550 at 9.50%: 527.25

Odds 4 = 527.25

c. Determination of the full general, state and regional quota

Full state general fee (Fee 1 - Fee 3): $4,212.75 - 527.25 = 3,685.50$

Full regional general quota (Quota 2 - Quota 4): $4,212.75 - 527.25 = 3,685.50$

2. Quota corresponding to the taxable base of savings (20,500.00)

- **State lien**

Up to 6,000.00: 570

Remaining 14,500.00 at 10.50%: 1,522.50

State tax rate $(570 + 1,522.50) = 2,092.50$

- **Autonomous tax**

Up to 6,000: 570

Remaining 14,500.00 at 10.50%: 1,522.50

Autonomous tax rate $(570 + 1,522.50) = 2,092.50$

- **Determination of full quotas**

State share $(3,685.50 + 2,092.50) = 5,778$

Autonomous part $(3,685.50 + 2,092.50) = 5,778$

3. Deduction for income obtained in Ceuta or Melilla

To calculate it, the following steps must be followed:

- Calculation of the deduction corresponding to income obtained in Ceuta:

[60% x General total share / General taxable base x General taxable base obtained in Ceuta]

$60\% [(3,685.50 + 3,685.50) \div 34,200 \times 31,000] = 4,008.78$

- Calculation of the deduction corresponding to income obtained in Ceuta included in the taxable savings base:

[60% x Total savings quota / Taxable savings base x Taxable savings base obtained in Ceuta]

$$60\% [(2,092.50 + 2,092.50) \div 20,500 \times 500] = 61.24$$

- Total amount of the deduction for income obtained in Ceuta (4,008.78 + 61.24) = 4,070.02 euros
- This amount must be distributed 50% between the state part and the regional part, in accordance with the provisions of articles 67 and 77 of the Personal Income Tax Law

State part: 2,035.01

Autonomous part: 2,035.01

4. Net share

- State share (5,778 – 2,035.01) = 3,742.99
- Autonomous part ((5,778 – 2,035.01) = 4,107.68

Deduction for habitual and effective residence on the island of La Palma during the year 2025

Regulations: Fifty-seventh Additional Provision of the Law IRPFABBR

Note: Article 2 of Royal Decree-Law 13/2025, of November 25, which adopts urgent complementary measures for the economic and social recovery of the island of La Palma after the damage caused by volcanic eruptions (BOE of November 26) modified, with effect from January 1, 2025, the Fifty-Seventh Additional Provision of the Personal Income Tax Law, extending for the 2025 tax period the application of the deduction for habitual and effective residence on the island of La Palma.

Article 67 of Law 31/2022, of December 23, on the General State Budget for the year 2023 (BOE of December 24) added a new fifty-seventh Additional Provision to the Law of IRPFABBR to establish the application of the deduction in the tax periods 2022 and 2023, to taxpayers with habitual and effective residence on the island of La Palma, the deduction provided for in article 68.4.1 of Law IRPFABBR, in its terms and conditions, it being understood, for these purposes, that the references made to Ceuta and Melilla in said article 68.4. 1 and in article 58 of the Regulation they are to the island of La Palma. The temporal scope of application of this deduction was extended to the 2024 tax period by Royal Decree-Law 4/2024, of June 26, and to 2025 by Royal Decree-Law 13/2025, of November 25.

Subjective scope and modalities

This deduction applies to taxpayers with habitual and effective residence on the island of La Palma, distinguishing between the following modalities depending on whether the period of residence is less than, equal to or greater than 3 years:

a. Taxpayers residing on the island of La Palma for a period of less than three years

For taxpayers who have their habitual and effective residence on the island of La Palma, the deduction consists of 60% of the part of the sum of the full state and regional contributions that proportionally corresponds to the income computed for the determination of the taxable bases that would have been obtained on the island of La Palma.

b. Taxpayers residing on the island of La Palma for a period of three years or more

Taxpayers who have maintained their habitual and effective residence on the island of La Palma for a period of no less than three years, in tax periods beginning after the end of that period, may apply the same deduction also for income obtained outside these cities.

To do so, the following requirement must be met: that at least one third of the taxpayer's net assets, determined in accordance with the Wealth Tax regulations, are located in La Palma.

The maximum amount of income obtained outside of these cities that can benefit from the deduction will be the net amount of the returns and capital gains and losses obtained in these cities.

Note: Unlike the deduction for income obtained in Ceuta and Melilla, this deduction does not apply to taxpayers who do not have habitual and effective residence on the island of La Palma, even if obtain income there.

Income obtained on the island of La Palma

For these purposes, the following incomes are considered to be obtained on the island of La Palma:

- **The returns on labor**, when they derive from work of any kind carried out in said territories and, in particular, unemployment benefits and those regulated in article 17.2.a) of the Law of IRPFABBR (pensions and passive income, benefits received by the beneficiaries of mutual societies, pension plans, insurance contracts entered into with social welfare mutual societies that generate income from work in accordance with the provisions of the aforementioned article, insured pension plans and the benefits received by the beneficiaries of company social welfare plans and dependency insurance).
- **Income from ownership of real estate** located on the island of La Palma or property rights that affect them.
- **Income from economic activities** actually carried out on the island of La Palma. For these purposes, economic activities effectively carried out on the island of La Palma are considered to be those that close a commercial cycle in these territories that determines economic results or involves the provision of a professional service in said territories.

It is estimated that these circumstances do not apply when it comes to isolated operations of extraction, manufacturing, purchase, transportation, entry and exit of goods or effects and, in general, when the operations do not determine income by themselves.

In the case of fishing and maritime activities, the rules established in article 33.4 and 5 of the LIS will apply. See in this regard Law 27/2014, of November 27, on Corporate Tax (BOE of November 28).

- **Capital gains** arising from real estate located on the island of La Palma or from personal property located in said territories.
- **Income from movable capital** arising from bonds or loans, when the capital is invested in said territories and the corresponding income is generated there.
- **Income from movable capital** arising from the leasing of movable property, businesses or mines, when the object of the lease is located on the island of La Palma and is effectively used in said territories.

- **Income from deposits or accounts** in all types of financial institutions located on the island of La Palma.

Maximum deduction limit

The amount of the deduction for income obtained on the island of La Palma may not in any case exceed **60 percent** of the part of the **sum of the full state and regional quotas of the tax**.

Attention : The total amount of the deduction for income obtained on the island of La Palma will be entered in the box[1847] of Annex A.6 of the declaration.

Deduction for actions for the protection and dissemination of Spanish Historical Heritage and World Heritage

Regulations: Articles 68.5 and 69.1 Law IRPFABBR

Amount and deductible concepts

15% of the investments or expenses made in the year for the following concepts:

- **Acquisition of assets of the Spanish Historical Heritage**, carried out outside Spanish territory for their introduction into said territory, provided that the assets are declared of cultural interest or included in the General Inventory of Movable Property within one year of their introduction. The basis for this deduction in this modality is constituted by the valuation carried out by the Board for the qualification, valuation and export of assets of the Spanish historical heritage.
- **Conservation, repair, restoration, dissemination and exhibition of the assets owned by it that are declared of cultural interest** in accordance with the regulations of the Historical Heritage of the State and the Autonomous Communities.
- **Rehabilitation of buildings, maintenance and repair of their roofs and facades, as well as the improvement of infrastructure** owned by them, located in the environment that is subject to protection of Spanish cities or architectural, archaeological, natural or landscape complexes and assets declared World Heritage by UNESCO located in Spain.

The list of cities, groups and assets declared World Heritage by UNESCO is contained in the Annex of Law 49/2002, of December 23, on the tax regime of non-profit entities and tax incentives for patronage (BOE of December 24).

Additional requirements

- **Acquisition of assets of the Spanish Historical Heritage** . They must remain in Spanish territory and within the owner's assets for at least four years.
- **Investments or expenses in Assets of Cultural Interest** . The application of the deduction is subject to compliance with the requirements established in the regulations of the Spanish Historical Heritage of the State and the Autonomous Communities, in particular with regard to the duties of visiting and publicly displaying said assets.

Applicable limits

The basis for the deduction for actions for the protection of the Spanish Historical Heritage and the World Heritage **may not exceed 10% of the taxable base for the year**.

The taxable base for the year is constituted by the sum of boxes **[0505]** and **[0510]** of the declaration.

Attention : *The amount of the deduction for Investments and expenses for the protection and dissemination of the Spanish Historical Heritage and the cities, groups and assets located in Spain declared World Heritage by UNESCO will be recorded in box **[0726]** of Annex A.2 of the declaration.*

Deduction for rental of the residence: Transitional scheme

The Tax Agency's electronic headquarters includes a "[Virtual Income Assistant](#)", where you can check whether you are entitled to the deduction, the effects on the deduction due to changes in the ownership of the rental contract or who makes the payments.

Regulations: Fifteenth Transitional Provision of the Law IRPFABBR; Articles 67.1, 68.7 and 77.1 Law IRPFABBR, as worded on December 31, 2014

Law 26/2014, of November 27, which modifies Law 35/2006, of November 28, on Personal Income Tax, the revised text of the Non-Resident Income Tax Law, approved by Royal Legislative Decree 5/2004, of March 5, and other tax regulations (BOE of March 28) abolished, as of January 1, 2015, the deduction for rent of the habitual residence.

However, for taxpayers who were deducting their rent prior to that date, a transitional regime was introduced that allows them to continue enjoying the deduction under the same terms and conditions existing on December 31, 2014.

To whom does the transitional regime apply?

Taxpayers who meet the following conditions may apply the deduction for renting their habitual residence:

- a. Those who had entered into a lease agreement prior to January 1, 2015 and continue with the same lease agreement (either through successive extensions or by signing another agreement that is considered a continuation of the initial lease agreement).

The taxpayer will be entitled to the deduction for renting a habitual residence during the tax periods in which, as a result of its extension, the validity of the lease contract signed prior to January 1, 2015 remains in effect.

However, the signing of a new lease contract for the same habitual residence at the end of the initial contract or to modify the agreed conditions, including, among others, the rental price, is considered, for the exclusive purposes of applying the transitional regime, as a continuation of the previous one, and therefore will not prevent the right to continue applying the deduction.

Likewise, for the exclusive purposes of applying the transitional regime, the signing of a new lease contract will be considered as a continuation of the previous one in the event of a change of landlord due to the transfer of the property, such as the replacement of the former landlord by his heir due to the death of the former, sale or payment in kind.

- b. That under said contracts they had paid, prior to January 1, 2015, amounts for the rent of their habitual residence.
- c. That they would have been entitled to the deduction for rent of their habitual residence in a tax period accrued prior to January 1, 2015, even if they had not exercised such right.

Therefore, the transitional regime will apply if the contract was signed before 2015 even if the deduction for rent of habitual residence was not applied in 2014 and/or previous years despite having met the requirements for its application.

How the deduction is applied in the transitional regime

The fifteenth transitional provision of the Law of IRPFABBR It maintains, for taxpayers entitled to the transitional regime, the application of the regulations contained in articles 67.1, 68.7 and 77.1 of the Law of IRPFABBR, as worded on December 31, 2014.

Amount and requirements for applying the deduction

Without prejudice to any deduction for rental of main residence that may have been approved by each Autonomous Community for the 2025 tax year, taxpayers may deduct the **10.05 percent of the amounts paid in the tax period** for the rental of their usual residence, **provided that their taxable income is less than 24,107.20 euros per year.**

The taxpayer's taxable base is formed by the sum of the amounts entered in boxes **[0435]** (general taxable base) and **[0460]** (savings taxable base) of the declaration.

Deduction base

In addition to the rental amount, this will include the expenses and taxes that the landlord must pay as the owner of the property and that, according to the conditions of the lease contract, are passed on to the tenant, such as Community of Owners fees and Property Tax.

The deduction base will not include the amount of the Fee for the Provision of Urban Waste Management Services, in which the tenant is a taxpayer, nor the amount of the costs of supplies for the rented home (water, electricity, gas,) that correspond to the consumption of supplies for the taxpayer's own home, the costs of small repairs required due to wear and tear from ordinary use of the home and which must be borne by the tenant in accordance with the provisions of section 4 of article 21 of Law 29/1994, of November , on Urban Leases (BOE of November).

However, the amount of the home insurance premium that covers the building's contents, and which is required by the landlord, will form part of the basis for the deduction.

Maximum deduction base

The maximum base for this deduction is:

- a. **9,040 euros per year** , when the taxable base is equal to or less than 17,707.20 euros per year.
- b. **$9,040 - [1.4125 \times (BI - 17,707.20)]$** , when the taxable base is between 17,707.20 and 24,107.20 euros per year.

BI being the taxpayer's taxable base. That is, the sum of the amounts reflected in boxes **[0435]** (general tax base) and **[0460]** (savings tax base) of the declaration.

Note: Taxpayers entitled to apply the transitional regime whose taxable base, in the terms discussed above, is equal to or greater than 24,107.20 euros per year, in individual taxation or joint taxation, will not be able to apply this deduction.

Example

Mr. MAV Since 2012, he has rented his main residence and has been claiming deductions for this expense in his tax return. IRPFABBR. In the 2025 financial year, it paid the landlord the amount of 6,900 euros annually for this concept.

The general taxable base of the taxpayer in the 2025 tax year, who pays taxes individually, has amounted to 21,500 euros and the taxable base of savings to 600 euros.

Determine the amount of the deduction for the rental of the main residence in the 2025 tax year.

Solution :

Amounts paid for rent of the habitual residence = 6,900

Maximum deduction base :

Since the taxable base is greater than 17,707.20 euros, the maximum deduction base will be determined by subtracting from 9,040 euros the result of multiplying by 1.4125 the difference between the taxable base and 17,707.20 euros per year.

That is to say: $9,040 - [1.4125 \times (22,100 - 17,707.20)] = 2,835.17$

Deduction amount: $(2,835.17 \times 10.05\%) = 284.93$

The amount of the deduction thus determined will be entered in boxes **[0562]** and **[0563]** of the declaration, recording in each of them 50% of the total deduction.

That is, $284.93 \times 50\% = 142.46$.

Deductions for energy efficiency improvement works in homes

The Tax Agency's electronic headquarters includes a "[Virtual Income Assistant](#)", where you can check which works entitle you to the deduction, the deadline for carrying them out, the basis and percentage of the deduction and the tax period in which to apply them.

Regulations:Fiftieth Additional Provision of the LawIRPFABBR

Article 1 of Law 10/2022, of June 14, on urgent measures to promote building rehabilitation activity in the context of the Recovery, Transformation and Resilience Plan. (which stems from the processing of Royal Decree-Law 19/2021, of October 5, on urgent measures to promote building rehabilitation activity in the context of the Recovery, Transformation and Resilience Plan), amended the Law of IRPFABBR to introduce three new temporary deductions in the total state tax that are applicable to the amounts invested in rehabilitation works that contribute to achieving certain improvements in the energy efficiency of the main or rented home and in residential buildings, accredited through the energy efficiency certificate.

For its part, Royal Decree-Law 16/2025, of December 23, which extends certain measures to address situations of social vulnerability, and adopts urgent measures in tax and Social Security matters (BOE of December 24) has modified, with effect from January 1, 2025, the time frame for the deductions in paragraphs 1 and 2 until December 31, 2026. However, it was repealed by the Resolution of 27 January 2026, of the Congress of Deputies (BOE January 28). Therefore, given that, for the purposes of the 2025 Personal Income Tax, the regulations in force on December 31, 2025, must be taken into account, in which the amendment introduced by the aforementioned Royal Decree-Law in the Fiftieth Additional Provision of the Law was in force IRPFABBR. The deductions in sections 1 and 2 will apply in the 2025 tax period. Likewise, the deduction provided for in section 3 of the aforementioned Additional Provision is applicable in 2025.

Note: *The amount of these deductions will be subtracted from the total state tax liability after the deductions provided for in sections 1 (Deduction for investment in newly created or recently established companies), 2 (Deductions in economic activities), 3 (Deductions for donations and other contributions), 4 (Deduction for income obtained in Ceuta or Melilla and, by application of the provisions of the Fifty-Seventh Additional Provision of the Personal Income Tax Law, the deduction for habitual and effective residence on the island of La Palma), and 5 (Deduction for actions for the protection and dissemination of Spanish Historical Heritage and of cities, sites and properties declared World Heritage) of article 68 of the Law of IRPFABBR.*

These deductions are:

1. Deduction for improvement works to reduce heating and cooling demand

Regulations: Fiftieth Additional Provision.1, 4 and 5 Law IRPFABBR

Temporal, subjective and objective scopes of the deduction

Time scope of the deduction and tax period in which the deduction is applied

The deduction applies to amounts paid since **October 6, 2021** until **December 31, 2025** for works carried out during said period that meet the conditions and requirements indicated in the following sections.

However, the deduction **will be applied** in the tax period in which the energy efficiency certificate issued the works have been completed is issued.

Despite having paid amounts for the work carried out, the Law of IRPFABBR It does not allow the deduction of such amounts in subsequent years due to insufficient full tax liability. Therefore, if the taxpayer's total tax liability is zero in the fiscal year in which the energy efficiency certificate is issued, the deduction will not apply.

When certificate issued in a tax period subsequent to that in which amounts were paid for such works, the deduction will be applied in said subsequent tax period taking into consideration the amounts paid from October 6, 2021 (date of entry into force of Royal Decree-Law 19/2021, of October 5, on urgent measures to promote building rehabilitation activity in the context of the Recovery, Transformation and Resilience Plan), until December 31 of the tax period in which the certificate is issued.

Therefore, the deduction will be applied in 2025 when the certificate issued after the completion of the works is issued in 2025.

Remember: Both this deduction and the deduction for improvement works that reduce the consumption of non-renewable primary energy will be applied in the tax period in which the energy efficiency certificate issued after the works were carried out is issued, regardless of the year in which the amounts were paid or the work was carried out. Therefore, in cases where the energy efficiency certificate issued after the completion of the works was issued in 2025, it must include, where applicable, the amounts paid since October 6, 2021 in the box **[1660]**.

Objective scope of the deduction

A. Type of housing that entitles you to the deduction

The following homes are eligible for deduction if they are carried out to reduce the heating and cooling demand:

- The taxpayer's habitual residence
- Any other dwelling owned by the taxpayer that is rented out for use as a dwelling at that time or is expected to be rented, provided that, in the latter case, the dwelling is rented out before December 31, 2027.

It is considered that this is a lease of a property for use as a dwelling when, in accordance with the provisions of article 2 of Law 29/1994, of November 24, on Urban Leases (LAU), the lease falls on "a habitable building whose primary purpose is to satisfy the tenant's permanent housing need."

Note: Likewise, this deduction may be applied to works carried out on single-family homes.

Works carried out in:

- The parts of the dwellings affected by an economic activity.
- Parking spaces, storage rooms, gardens, parks, swimming pools and sports facilities and other similar elements.

- Homes available to their owners (second homes) that are not rented or expected to be rented (although in the latter case, if the home is not rented before December 31, 2027, they are also excluded from the possibility of applying the deduction).

Note: This deduction is not applicable to new-build or newly constructed homes, since, in these cases, there is no energy efficiency certificate prior to the construction and another subsequent to the construction, as required by law, and the corresponding reduction cannot be accredited compared to the previous situation.

A different situation is that of newly built homes in which works are carried out that improve the energy efficiency rating stated in the certificate of completion (initial certificate), and a certificate exists after the completion of the works. In this case, if the required requirements are met, the person will be entitled to the corresponding deduction.

B. Improvement works that give the right to the deduction

- The works that allow you to benefit from the deduction are those carried out **from October 6, 2021 to December 31, 2025** for the reduction of heating and cooling demand.

Heating and cooling energy demand is the energy required to maintain the internal comfort conditions of the building.

For these purposes, it will be understood that the heating and cooling demand of the home has been reduced when **the sum of the heating and cooling demand indicators in the energy efficiency certificate issued by the competent technician after the works were carried out is reduced by at least 7%** compared to the one issued before the start of the works.

Note: Please note that **## amounts paid corresponding to costs relating to the installation or replacement of equipment that uses fossil fuels are not eligible for deduction.**

- To prove compliance with the requirements for applying this deduction, the efficiency certificates issued before and after the works will be necessary.

Energy efficiency certificates issued **before the start of work** will be valid to prove compliance with the requirements provided that a period of two years has not elapsed between the date of issue and the date of start of work.

If the energy certificate prior to the execution of the works, issued in the two years prior to the start date of the works, **has not been registered in the corresponding register of energy certificates**, having elapsed the period established in the regulations for said registration, the deduction does not apply. If this period has not elapsed, the aforementioned deduction will not apply until the issued certificate is registered.

It is also not possible to prove the energy efficiency of the home prior to the works by means of a certificate issued after the works.

The energy efficiency certificates issued **after the completion of the works** determine the **tax period in which the deduction is made** and must be issued in **2025**.

Although the deduction is generated in the tax period in which the energy certificate is issued, until the certificate is registered in the corresponding registry, the taxpayer will not be able to apply the deduction. Consequently, if it is issued in 2024 and registered in 2025, the right to the deduction will have been generated in 2024, regardless of whether the registration takes place in 2025.

Note: *Certificates constitute the only means established by the Law of IRPFABBR to prove the reduction or improvement. Therefore, if the corresponding certificate is not available prior to the start of the works or the one issued by the competent technician after the works have finished, compliance with the required requirements is not accredited and, consequently, the deduction cannot be applied.*

- In any case, energy efficiency certificates must have been issued and registered in accordance with the provisions of Royal Decree 390/2021, of June 1, which approves the basic procedure for the certification of the energy efficiency of buildings.

Note: *Taxpayers entitled to this deduction must complete the corresponding section of the form. **Annex A.3** from the declaration the information requested about the property, the NIF or NIE of the person or entity that carried out the works, the dates of the energy efficiency certificates before and after the works, as well as the energy demand for heating and cooling shown in each of them, data that can be extracted from the sum of the global heating and cooling demand indicators contained in section 3 of Annex II of each of the certificates, and the amounts paid.*

Subjective scope of deduction

taxpayers who hold the title of owner of the property is the subject of such works may apply this deduction.

Each co-owner of the home may claim a deduction for the amounts paid for the works in the part that proportionally corresponds to their percentage of ownership in the habitual residence, regardless of whether the invoice for the works was issued solely in the name of one of the co-owners of the home.

Therefore, the bare owners, usufructuaries and tenants are excluded.

Amount of the deduction and incompatibilities with the remaining deductions for energy efficiency improvement works

Amount of deduction

A. Basis of the deduction

The basis for this deduction will be the amounts paid, **box [1660]** by **credit or debit card, bank transfer, personal check or deposit into an account in credit institutions**, to the persons or entities that carry out such works, as well as to the persons or entities that issue the aforementioned certificates.

Regarding the amounts to be included in the deduction base, the taxpayer may include the VAT payments that have been paid for carrying out the works.

However, **those amounts that, where applicable, have been subsidized** through a public aid program or are to be subsidized by virtue of a final resolution granting such aid will be discounted.

Clarifications:

Until the taxpayer receives a final decision on its granting, they should not deduct the amount of the subsidy from the deduction base.

If the deduction is claimed in the corresponding tax return IRPFABBR and, subsequently, a subsidy is granted whose amount corresponds to amounts that have formed part of the basis of the deduction, the tax situation must be regularized so that the amounts corresponding to said subsidy are not included in the basis of the deduction (with the limit being the maximum annual deduction base). To that end, in accordance with Article 59 of the Regulation of IRPFABBR The amount of the unduly claimed deduction will be added to the net state tax liability of the personal income tax return corresponding to the year in which the subsidy was granted.

If a subsidy is granted to a community of owners for the execution of these works, the aid will be allocated to each of the owners based on their participation coefficient in the building. For these purposes, please note that the allocation must be made to the owner of each apartment at the time the subsidy is collected.

Note: *In no case will amounts paid through legal tender money deliveries give the right to make a deduction .*

For these purposes, **will be considered as amounts paid** for the works carried out those necessary for its execution, including professional fees, costs of drafting technical projects, construction management, cost of execution of works or installations, investment in equipment and materials and other expenses necessary for its development, as well as the issuance of the corresponding energy efficiency certificates.

For example, the amount corresponding to the municipal building permit is considered a necessary expense for the development of the work itself, since it would not be possible to carry it out without this document.

However, if these amounts are paid after the maximum date of issuance of the certificate after the completion of the works, which is the maximum date to make the deduction, they cannot be subject to deduction.

Note: *In any case, **will not** be considered in these amounts the costs related to the installation or replacement of equipment that uses fossil fuels.*

In the case of housing of a joint property nature, the amounts paid from the joint property by a marriage under a legal joint property regime will be attributed to each spouse at **50 percent** .

In the case of a home with shared ownership, each co-owner of the home may claim a deduction for the amounts paid for the works in the part that proportionally corresponds to their percentage of ownership in the habitual residence, regardless of whether the invoice for the works was issued solely in the name of one of the

co-owners of the home.

B. Maximum deduction base

The maximum annual base for this deduction will be **5,000 euros**.

This limit is identical for individual and joint taxation.

C. Deduction percentage

The deduction percentage applicable to the deduction base, in the terms discussed above, is **20 percent**.

Incompatibilities

In no case will the same work carried out in a home give rise to this deduction and to the deduction “ [For improvement works that reduce the consumption of non-renewable primary energy](#) ” examined in section 2).

It will also not apply in those cases in which the accredited improvement and the amounts paid correspond to actions carried out in the entire building and the application of the deduction “ [For energy rehabilitation works of buildings](#) ” is appropriate (examined in section 3).

Example: Deduction for improvement works to reduce heating and cooling demand

The married couple Mr. JP and Mrs. RL, married under the legal regime of community property, carried out on June 27, 2025 in their usual residence the replacement of all the windows (frame and glazing) with double windows to achieve greater efficiency in the thermal insulation of the home for a total amount of 8,900 euros which were made effective on June 30, 2025 by bank transfer.

To replace the windows, he requested and received a grant from his Autonomous Community of residence amounting to 1,500 euros.

In addition, in another rented property he owns, he changed the gas boiler to a biomass one during the month of December, which represents an energy saving of 13%. The total cost of the new boiler amounts to 3,500 euros, which were paid on December 15, 2025.

To prove compliance with the requirements for this deduction, an energy efficiency certificate was requested for both homes before and after the works.

In their usual residence, a certificate was issued on May 15, 2025, which was registered in the corresponding registry (before the works) and another on July 22, 2025 (registered on November 25, 2025), resulting in a 20 percent reduction in the sum of the heating and cooling demand indicators of the energy efficiency certificate issued by the competent technician. The certificates cost 100 euros.

In the case of the rented property, there was an energy efficiency certificate less than two years old and after the boiler was changed in December 2025 a new certificate was issued on December 30, 2025 for the amount of 80 euros which certifies the aforementioned savings of 13 percent.

Determine the amount of the deduction for 2025 in individual and joint taxation.

Solution:

Please note that Royal Decree-Law 16/2025, of December 23, extends certain measures to address situations of social vulnerability and adopts urgent measures in tax and social security matters (BOE of December 24) has modified the time frame of the deductions for energy efficiency improvement works in homes regulated by the fiftieth Additional Provision of the Law of IRPFABBR, **extending it in the case of this deduction until December 31, 2025.**

Contributor Mr. JP .

- Deduction base: 5.500

$8,900 \text{ euros (works)} + 3,500 \text{ (boiler)} + 100 \text{ euros (certificates)} - 1,500 \text{ euros (aid obtained)} \div 2 = 5,500 \text{ euros}$

Please note that the subsidies derived from the Renove Plan for window replacement in the different Autonomous Communities are generally obtained by the beneficiaries in the form of a discount that is applied to the invoice for the acquisition and installation of the goods by the collaborating entities of the program, which process the subsidy on behalf of the beneficiary, applying it to the invoice as an advance payment to the beneficiary.

- Maximum deduction base: 5,000 euros
- Deduction amount: $(5,000 \times 20\%) = 1,000$

Taxpayer Mrs. RL .

- Deduction base: 5.500

$8,900 \text{ euros (works)} + 3,500 \text{ (boiler)} + 100 \text{ euros (certificates)} - 1,500 \text{ euros (aid obtained)} \div 2 = 5,500 \text{ euros}$

- Maximum deduction base: 5,000 euros
- Deduction amount: $(5,000 \times 20\%) = 1,000$

Joint statement by Mr. JP . and Mrs. RL

- Deduction base: 11,000

$8,900 \text{ euros (works)} + 3,500 \text{ (boiler)} + 100 \text{ euros (certificates)} - 1,500 \text{ euros (aid obtained)} = 11,000 \text{ euros}$

- Maximum deduction base: 5,000 euros

- Deduction amount: $(5,000 \times 20\%) = 1,000$

2. Deduction for improvement works that reduce the consumption of non-renewable primary energy

Regulations: Fiftieth Additional Provision.2, 4 and 5 Law IRPFABBR

Temporal, subjective and objective scopes of the deduction

Time scope of the deduction and tax period in which the deduction is applied

The deduction applies to amounts paid since **October 6, 2021** until **December 31, 2025** for works carried out during said period that meet the conditions and requirements indicated below.

However, the deduction **will be applied** in the tax period in which the energy efficiency certificate issued the works have been completed is issued.

Despite having paid amounts for the work carried out, the Law of IRPFABBR It does not allow the deduction of such amounts in subsequent years due to insufficient full tax liability. Therefore, if the taxpayer's total tax liability is zero in the fiscal year in which the energy efficiency certificate is issued, the deduction will not apply.

When certificate issued in a tax period subsequent to that in which amounts were paid for such works, the deduction will be applied in said subsequent tax period taking into consideration the amounts paid from October 6, 2021 (date of entry into force of Royal Decree-Law 19/2021, of October 5, on urgent measures to promote building rehabilitation activity in the context of the Recovery, Transformation and Resilience Plan), until December 31 of the tax period in which the certificate is issued.

Therefore, the deduction will be applied in 2025 when the certificate issued after the completion of the works is issued in 2025.

Remember: Both this deduction and the deduction for improvement works to reduce the demand for heating and cooling will be applied in the tax period in which the energy efficiency certificate issued after the works were carried out is issued, regardless of the year in which the amounts were paid or the work was carried out. Therefore, in cases where the energy efficiency certificate issued after the completion of the works was issued in 2025, the amounts paid since October 6, 2021 must be included in the box [1668].

Objective scope of the deduction

A. Type of housing that entitles you to the deduction

The following homes are eligible for deduction if they are carried out to improve the consumption of non-renewable primary energy:

- The taxpayer's habitual residence
- Any other dwelling owned by the taxpayer that is rented out for use as a dwelling at that time or is expected to be rented, provided that, in the latter case, the dwelling is rented out before December 31, 2027.

It is considered that this is a lease of a property for use as a dwelling when, in accordance with the provisions of article 2 of Law 29/1994, of November 24, on Urban Leases (LAU), the lease falls on "a habitable building whose primary purpose is to satisfy the tenant's permanent housing need."

Works carried out in:

- The parts of the dwellings affected by an economic activity.
- Parking spaces, storage rooms, gardens, parks, swimming pools and sports facilities and other similar elements.
- Homes available to their owners (second homes) that are not rented or expected to be rented (although in the latter case, if the home is not rented before December 31, 2027, they are also excluded from the possibility of applying the deduction).

Note: This deduction is not applicable to newly built or constructed homes, since, in these cases, there is no energy efficiency certificate prior to or subsequent to the works, as required by law, and the corresponding reduction or improvement compared to the previous situation cannot be accredited.

A different situation is that of newly built homes in which works are carried out that improve the energy efficiency rating stated in the certificate of completion (initial certificate), and a certificate exists after the completion of the works. In this case, if the required requirements are met, the person will be entitled to the corresponding deduction.

B. Improvement works that give the right to the deduction

- The works that allow you to benefit from the deduction are only **those made from October 6, 2021 until December 31, 2025** for the improvement in the consumption of non-renewable primary energy.

For these purposes, it will only be understood that the consumption of non-renewable primary energy has been improved in the home in which such works have been carried out when:

- The non-renewable primary energy consumption indicator is reduced by at least 30%, or
- **an improvement in the energy rating of the home is achieved to obtain an energy class of "A" or "B"**, on the same rating scale (that of energy consumption), certified by an energy efficiency certificate issued by the competent technician after the completion of those, with respect to the one issued before the start of the same.

Note: However, **does not** benefit from the deduction for amounts paid corresponding to costs related to the installation or replacement of equipment that uses fossil fuels.

- To prove compliance with the requirements for applying this deduction, the **energy efficiency certificate issued before and after the works will be necessary**.

Energy efficiency certificates issued **before the start of work** will be valid to prove compliance with the requirements provided that a period of two years has not elapsed between the date of issue and the date of start of work.

If the energy certificate prior to the execution of the works, issued in the two years prior to the start date of the works, **has not been registered in the corresponding register of energy certificates**, having elapsed the period established in the regulations for said registration, the deduction does not apply. If this period has not elapsed, the aforementioned deduction will not apply until the issued certificate is registered.

It is also not possible to prove the energy efficiency of the home prior to the works by means of a certificate issued after the works.

The energy efficiency certificates issued **after the completion of the works** determine the **tax period in which the deduction is made** and it must be issued in **2025**.

Although the deduction is generated in the tax period in which the energy certificate is issued, until the certificate is registered in the corresponding registry, the taxpayer will not be able to apply the deduction. Therefore, if it is issued in 2024 and registered in 2025, the right to the deduction will have been generated in 2024, regardless of whether the registration takes place in 2025.

Attention : certificates are the only means established by the Personal Income Tax Law to prove the reduction or improvement. Therefore, if the corresponding certificate is not available prior to the start of the works or the one issued by the competent technician after the works, compliance with the required conditions is not proven and, consequently, the deduction cannot be applied

- In any case, energy efficiency certificates must have been issued and registered in accordance with the provisions of Royal Decree 390/2021, of June 1, which approves the basic procedure for the certification of the energy efficiency of buildings.

Note: Taxpayers entitled to this deduction must complete the form in the corresponding section of the **Annex A.3** The declaration includes the information requested about the property, the NIF or NIE of the person or entity that carried out the works, the dates of the energy efficiency certificates before and after the works, the consumption of non-renewable primary energy that appears in each of them, data that can be extracted from the global indicator contained in section 2) of Annex II, the letter of the energy rating obtained and the amounts paid.

Subjective scope of deduction

taxpayers who hold the title of owner of the property is the subject of such works may apply this deduction.

Each co-owner of the home may claim a deduction for the amounts paid for the works in the part that proportionally corresponds to their percentage of ownership in the habitual residence, regardless of whether the invoice for the works was issued solely in the name of one of the co-owners of the home.

Therefore, the bare owners, usufructuaries and tenants are excluded.

Amount of the deduction and incompatibilities with the remaining deductions for energy efficiency improvement works

Amount of deduction

A. Basis of the deduction

The basis for this deduction will be the amounts paid, **box [1668]** of the declaration, by **credit or debit card, bank transfer, personal check or deposit into accounts in credit institutions**, to the persons or entities that carry out such works, as well as to the persons or entities that issue the aforementioned certificates.

Regarding the amounts to be included in the deduction base, the taxpayer may include the VAT payments that have been paid for carrying out the works.

However, **those amounts that, where applicable, have been subsidized** through a public aid program or are to be subsidized by virtue of a final resolution granting such aid will be discounted.

Clarifications:

Until the applicant receives a final decision on the grant, he or she should not deduct the amount of the grant from the deduction base.

If the deduction is claimed in the corresponding tax return IRPFABBRand, subsequently, a subsidy is granted whose amount corresponds to amounts that have formed part of the basis of the deduction, the tax situation must be regularized so that the amounts corresponding to said subsidy are not included in the basis of the deduction (with the limit being the maximum annual deduction base). To that end, in accordance with Article 59 of the Regulation of IRPFABBRThe amount of the unduly claimed deduction will be added to the net state tax liability of the personal income tax return corresponding to the year in which the subsidy was granted.

If a subsidy is granted to a community of owners for the execution of these works, the aid will be allocated to each of the owners based on their participation coefficient in the building. For these purposes, please note that the allocation must be made to the owner of each apartment at the time the subsidy is collected.

Note: *In no case will amounts paid through legal tender money deliveries give the right to make a deduction.*

For these purposes, **will be considered as amounts paid** for the works carried out those necessary for its execution, including professional fees, costs of drafting technical projects, construction management, cost of execution of works or installations, investment in equipment and materials and other expenses necessary for its development, as well as the

issuance of the corresponding energy efficiency certificates.

Thus, for example, the amount corresponding to the municipal building permit is considered a necessary expense for the development of the work itself, since it would not be possible to carry it out without this document.

However, if these amounts are paid after the maximum date of issuance of the certificate after the completion of the works, which is the maximum date to make the deduction, they cannot be subject to deduction.

Note: In any case, **will not** be considered in these amounts the costs related to the installation or replacement of equipment that uses fossil fuels.

In the case of housing of a joint property nature, the amounts paid from the joint property by a marriage under a legal joint property regime will be attributed to each spouse at **50 percent**.

In the case of a home with shared ownership, each co-owner of the home may claim a deduction for the amounts paid for the works in the part that proportionally corresponds to their percentage of ownership in the habitual residence, regardless of whether the invoice for the works was issued solely in the name of one of the co-owners of the home.

B. Maximum deduction base

The maximum annual base for this deduction will be **7,500 euros**.

This limit is identical for individual and joint taxation.

C. Deduction percentage

The deduction percentage applicable to the deduction base, in the terms discussed above, is **40 percent**.

Incompatibilities

In no case will the same work carried out in a home give rise to this deduction and to the deduction “[For improvement works that reduce the demand for heating and cooling](#)” that we examined in section 1).

It will also not apply in those cases in which the accredited improvement and the amounts paid correspond to actions carried out in the entire building and the application of the deduction “[For energy rehabilitation works of buildings](#)” is appropriate (which we examine in section 3).

Example: Deduction for improvement works that reduce the consumption of non-renewable primary energy

The married couple Mr. TP and Mrs. PZ, married under the legal regime of community property, carried out in March 2025 works in their usual residence (located in a building for residential use) which consisted of the installation of insulating panels (wall linings) on the walls and thermal insulation in the false ceilings. Likewise, a new aerothermal heating and air conditioning system was installed in the home.

The total amount (including the issuance and registration of energy efficiency certificates) amounted to 28,000 euros. The amount was paid in two payments. One at the start of the work for an amount of 20,000 euros and another at the end for the remainder (8,000 euros). Payments were made by personal checks.

In addition, a grant of 8,000 euros was requested and obtained from the programme to promote improvements in energy efficiency and sustainability in housing.

To prove compliance with the requirements for applying this deduction, an energy efficiency certificate was requested before and after the works. The latter was issued on December 20, 2025 and resulted in the home being rated as energy class "B" on the energy consumption scale.

Determine the amount of the deduction for 2025, both for individual and joint taxation.

Solution:

Taxpayer Mr. TP:

- Deduction base: $20,000 \text{ euros} \div 2 = 10,000$. (2 spouses)

Note: The amount of the public subsidy obtained (8,000 euros) is deducted from the total amount paid (28,000 euros). Therefore, $28,000 - 8,000 = 20,000$

- Maximum deduction base: 7,500 euros
- Deduction amount: $(7,500 \times 40\%) = 3,000$

Taxpayer Mrs. PZ:

- Deduction base: $20,000 \text{ euros} \div 2 = 10,000$. (2 spouses)

Note: From the total amount paid (28,000 euros) the amount of the public subsidy obtained (8,000 euros) is deducted. Therefore, $28,000 - 8,000 = 20,000$

- Maximum deduction base: 7,500 euros
- Deduction amount: $(7,500 \times 40\%) = 3,000$

Joint statement by Mr. TP and Mrs. PZ

- Deduction base: 20,000 euros = 20,000
- Maximum deduction base: 7,500 euros
- Deduction amount: $(7,500 \times 40\%) = 3,000$

3. Deduction for energy rehabilitation works in buildings predominantly used for residential purposes

Regulations: Fiftieth Additional Provision.3, 4 and 5 Law IRPFABBR

Temporal, subjective and objective scope of deduction

Time scope of the deduction and tax period in which the deduction is applied

The deduction is applicable for amounts paid from **on October 6, 2021 to on December 31, 2025** for works carried out during said period that meet the conditions and requirements indicated below.

The deduction will be applied in the tax periods **2021, 2022, 2023, 2024 and 2025** in relation to the amounts paid in each of them, **provided that the energy efficiency certificate had been issued before the end of the tax period in which the deduction is to be made.**

When certificate is issued in a tax period subsequent to that in which amounts were paid for such works, **the deduction will be applied in said subsequent tax period** taking into consideration the amounts paid from October 6, 2021 (date of entry into force of Royal Decree-Law 19/2021, of October 5, on urgent measures to promote building rehabilitation activity in the context of the Recovery, Transformation and Resilience Plan), until December 31 of the aforementioned tax period in which the certificate is issued.

Therefore, in order to apply the deduction in the 2025 tax period, this certificate must be issued before January 1, 2026.

Remember: *This deduction for energy rehabilitation works of predominantly residential buildings will be applied in the tax periods 2021, 2022, 2023, 2024 and 2025 in relation to the amounts paid in each of them, provided that the energy efficiency certificate has been issued before the end of the tax period in which the deduction is to be applied.*

Note: *In the case of works carried out by a community of owners, the deduction will be applied by the taxpayer in the tax period in which the community of owners pays the amount of the improvement works carried out (whether or not there is external financing) provided that the energy efficiency certificate has been issued prior to the end of said period.*

Objective scope of the deduction

A. Type of housing that entitles you to the deduction

The deduction is eligible for energy rehabilitation works carried out in **buildings of predominantly residential use** where the home or homes owned by the taxpayer are located.

This can be any type of dwelling (either the primary residence or a second home or rented dwelling) that is owned by the taxpayer, except for dwellings used for economic activities.

The **parking spaces and** storage rooms that would have been acquired with these will be treated as homes.

Works carried out on common elements of the building, including gardens, parks, swimming pools, sports facilities and other similar elements, will be eligible for the deduction.

You will not be entitled to this deduction for work carried out on the part of the home that is affected by an economic activity.

Note: *This deduction is not applicable to new-build homes or newly constructed buildings since, in these cases, there is no energy efficiency certificate prior to the works and no other subsequent one, as required by law, and the corresponding reduction or improvement compared to the previous situation cannot be accredited.*

A different situation is that of newly built homes in which works are carried out that improve the energy efficiency rating stated in the certificate of completion (initial certificate), and a certificate exists after the completion of the works. In this case, if the required requirements are met, the person will be entitled to the corresponding deduction.

B. Improvement works that give the right to the deduction

- The works that can benefit from the deduction are those of **energy rehabilitation of the building**.

For these purposes, those works that contribute to improving the energy efficiency of the building in which the dwelling is located will be considered energy rehabilitation works of the building, and must be accredited with the energy efficiency certificate issued by the competent technician after carrying out those works:

- a reduction in non-renewable primary energy consumption, referred to energy certification, of at least 30 percent, or,
- the improvement of the energy rating of the building to obtain an energy class of "A" or "B", on the same rating scale (energy consumption), compared to the one issued before the start of the same.

Note: *To qualify for this deduction, the works referred to must be carried out on the entire building (single-family home) or on a complete block (multi-family building). Therefore, actions carried out by the taxpayer on a private level in his home do not entitle him to the aforementioned deduction.*

- To prove compliance with the requirements for applying this deduction, the **energy efficiency certificate issued before and after the works will be necessary**.

Energy efficiency certificates issued **before the start of work** will be valid to prove compliance with the requirements provided that a period of two years has not elapsed between the date of issue and the start of work.

If the energy certificate prior to the execution of the works, issued in the two years prior to the start date of the works, **has not been registered in the corresponding register of energy certificates**, having elapsed the period established in the regulations for said registration, the deduction does not apply. If this period has not elapsed, the aforementioned deduction will not apply until the issued certificate is registered.

It is also not possible to prove the energy efficiency of the home prior to the works by means of a certificate issued after the works.

The energy efficiency certificates issued **after the completion of the works** determine the **tax period in which the deduction is made**. Therefore, in order to apply the deduction in the 2025 tax period, this certificate must be issued before January 1, 2026.

Attention: *The certificates constitute the only means established by the Law of IRPFABBR to prove the reduction or improvement. Therefore, if the corresponding certificate is not available prior to the start of the works or issued by the competent technician after they have been completed, compliance with the required conditions is not proven and, consequently, the deduction cannot be applied.*

- In any case, energy efficiency certificates must have been issued and registered in accordance with the provisions of Royal Decree 390/2021, of June 1, which approves the basic procedure for the certification of the energy efficiency of buildings.

Note: *Taxpayers entitled to this deduction must complete the corresponding section of the form **Annex A.3** from the declaration the information requested about the property, the NIF or NIE of the person or entity that carried out the works, the dates of the energy efficiency certificates before and after the works, the non-renewable primary energy consumption shown in each of them, data that can be extracted from the global indicator contained in section 2) of Annex II, the letter of the energy rating **of the building** and the amounts paid.*

Subjective scope of deduction

Only taxpayers who are owners of the homes located in the building may apply this deduction. Therefore, the bare owners, usufructuaries and tenants are excluded.

Amount of the deduction and incompatibilities with the remaining deductions for energy efficiency improvement works

Amount of deduction

A. Basis of the deduction

For the 2025 tax year, the basis for this deduction will consist of the amounts paid, **box [1677]** of the statement, through **credit or debit card, bank transfer, nominative check or deposit into accounts at credit institutions**, to the persons or entities that carry out such works, as well as to the persons or entities that issue the aforementioned certificates.

However, any amounts that have been **subsidized** through a public aid program **or are to be** subsidized by virtue of a final resolution granting such aid will be discounted.

Clarifications:

- Until the applicant receives a final decision on the grant, he or she should not deduct the amount of the grant from the deduction base.
- If the deduction is claimed in the corresponding tax return IRPFABBR and, subsequently, a subsidy is granted whose amount corresponds to amounts that have formed part of the basis of the deduction, the tax situation must be regularized so that the amounts corresponding to said subsidy are not included in the basis of the deduction (with the limit being the maximum annual deduction base). To that end, in accordance with Article 59 of the Regulation of IRPFABBR, will be added to the state net quota of the declaration of IRPFABBR corresponding to the year in which the subsidy was granted, the amount of the deduction unduly made.
- If a subsidy is granted to a community of owners for the execution of these works, the aid will be allocated to each of the owners based on their participation coefficient in the building. For these purposes, please note that the allocation must be made to the owner of each apartment at the time the subsidy is collected.

Note: *In no case will amounts paid through legal tender money give the right to deduct.*

For these purposes, the amounts paid for the works carried out will be considered those necessary for their execution, including professional fees, costs of drafting technical projects, construction management, cost of execution of works or installations, investment in equipment and materials and other expenses necessary for their development, as well as the issuance of the corresponding energy efficiency certificates.

For example, the amount corresponding to the municipal building permit is considered a necessary expense for the development of the work itself, since it would not be possible to carry it out without this document.

However, if these amounts are paid after the maximum date of issuance of the certificate after the completion of the works, which is the maximum date to make the deduction, they cannot be subject to deduction.

Note: *In any case, **will not** be considered in these amounts the costs related to the installation or replacement of equipment that uses fossil fuels.*

In the case of housing of a joint property nature, the amounts paid from the joint property by a marriage under a legal joint property regime will be attributed to each spouse at **50 percent**.

In the case of a home with shared ownership, each co-owner of the home may apply a deduction for the amounts paid for the works in the part that proportionally corresponds to their percentage of ownership in the habitual residence, regardless of whether the invoice corresponding to the works was issued solely in the name of one of the co-owners of the home.

• Works carried out by a community of owners

In this case, the aforementioned means of payment (credit or debit cards, bank transfer, personal check or deposit into accounts in credit institutions) must be used by the community of owners when paying for the works to the persons or entities that carry them out.

This deduction for improvement works is applied to the amounts paid, without the regulations governing it establishing special rules for cases in which external financing is used.

The amount that can be used as the basis for each taxpayer's deduction will be determined by applying the coefficient of participation that the taxpayer had in the community to the amounts paid by the owners' association.

If the invoice identifies the community of owners as the final recipient, the taxpayer may justify the investment and expenditure made through receipts issued by the community in which payment of the amounts proportionally corresponding to them is required, documents proving payment of the same, documents justifying the works carried out and other means of proof admissible by law.

B. Maximum deduction base

The maximum annual base for declaring this deduction will be **5,000 euros per year**.

C. Excess over the maximum deduction base, transfer to the following four fiscal years and maximum accumulated deduction base

The amounts paid but not deducted (pending deduction bases) **for exceeding the maximum annual deduction base** may be deducted, with the same limit, **in the following four fiscal years**, without in any case **the accumulated deduction base** being able to exceed **15,000 euros** (multi-annual maximum limit).

The limit of 15,000 euros of the accumulated deduction base must be understood as a limit applicable individually to each taxpayer, in relation to the amounts paid for the set of works carried out and which generate the right to the deduction.

However, when the works are carried out on a property of a joint nature, it is necessary to differentiate, for the purposes of applying the limits on the accumulated base and the maximum annual deduction base for spouses who are taxpayers of the Personal Income Tax, between the following situations:

- If the spouses choose to pay taxes on **individually** both in the tax period in which the right to apply the deduction is generated and in successive tax periods, the limits of 15,000 euros and 5,000 euros will be, respectively, the limits of the accumulated base and the maximum annual deduction base that will apply to each of the taxpayers.
- In the event that they choose to pay taxes jointly both in the tax period in which the right to apply the deduction is generated and in successive tax periods, the limit of the maximum deduction base will be 5,000 euros in each tax year while the accumulated limit will be 15,000 euros.
- In the event that they choose **pay taxes individually in some tax periods and jointly in others, in the tax period in which the deduction is to be made, the sum of the amounts subject to deduction from previous tax periods** whether in individual or joint taxation) made by the taxpayer, if it is an individual declaration, or by both, if it is a joint declaration, with the accumulated limit of 15,000 euros into account for the purposes of the maximum deduction base.

Note: The amounts paid in 2021 pending application at the beginning of the 2025 period will be entered in the box **[2024]** and those that apply in the exercise in the box **[2025]** in Annex C.5 of the declaration.

Amounts paid in 2022 pending application at the beginning of the 2025 period will be entered in the box **[1692]**, those that apply in the exercise in the box **[1693]** and those pending application in future exercises in the box **[2048]**, in Annex C.5 of the declaration.

Amounts paid in 2023 pending application at the beginning of the 2025 period will be entered in the box **[1695]**, those that apply in the exercise in the box **[1696]** and those pending application in future exercises in the box **[1697]**, in Annex C.5 of the declaration.

Amounts paid in 2024 pending application at the beginning of the 2025 period will be entered in the box **[1184]**, those that apply in the exercise in the box **[1855]** and those pending application in future exercises in the box **[1856]**, in Annex C.5 of the declaration.

In the case of amounts paid in 2025 with the right to deduction, their amount is entered in the box **[1677]** from Annex A.3 and the pending amount to be applied in future exercises in the box **[1857]** of Annex C.5 of the declaration.

D. Deduction percentage

The deduction percentage applicable to the deduction base, in the terms discussed above, is **60 percent**.

Incompatibilities

This deduction will be incompatible with the deductions “ [For improvement works that reduce the demand for heating and cooling](#) ” and “ [For improvement works that reduce the consumption of non-renewable primary energy](#) ” in those cases in which the accredited improvement and the amounts paid correspond to actions carried out in the entire building.

Example: Deduction for energy rehabilitation works in buildings predominantly used for residential purposes

The community of owners of XXXX street number 23 has carried out a series of works to improve the energy efficiency of the building aimed at saving 50% of the energy consumed and achieving an improvement in the energy rating of the building to obtain an energy class "B". These works consist of improvements to the insulation of the façades, improvements to the thermal envelope, roofs and the breaking of thermal bridges, as well as the integration of renewable energy systems or installations into the building.

The works, which will be paid for by all owners (including commercial premises, residential properties, and garages) according to their participation quota, will begin in December 2024 and be completed in April 2025. A loan was requested to carry out the aforementioned works, which will be paid by the owners through monthly receipts. Once this financing has been obtained, the community of owners will make three payments for the improvement

works. An initial payment, made on December 1, 2024, by nominative check, listed on the invoice issued by the contractor as "Certification on account of the energy efficiency improvement works contract," and two further payments to be made to the contractor on March 1 and May 1, 2025, respectively.

The couple formed by Mr. JG and Mrs. TK, married under the legal regime of community property, are owners of a home located in said community (their habitual residence) and by the coefficient of participation in said community they are entitled to, of the amounts paid (including the issuance of energy efficiency certificates), 8,000 euros of the first payment and 2,000 euros in the other two payments that will be paid by the Community of Owners to the contractor on March 1 and May 1, 2025.

The corresponding energy efficiency certificates were issued before and after the works. The latter was issued on December 20, 2025 and resulted in the home being rated as energy class "B".

Determine the amount of the deduction that can be claimed in 2025 and 2026 whether they opt for individual or joint declaration, and the excesses that can be deducted in the following years.

Solution:

NOTE: Despite having paid amounts in 2024 for the completion of the works, he was not entitled to claim the deduction in that tax period because the certificate had not been issued. Since it was issued in the following tax period, 2025, the deduction will be applied in that subsequent tax period (2025) taking into consideration in this case the amounts paid on December 1, 2024 (8,000 euros) and those paid on March 1 and May 1, 2025 (2,000 euros on each of them).

Year 2025

Mr. JG:

- Deduction base: $(8,000 \text{ euros} + 4,000 \text{ euros}) \div 2 = 6,000$
- Maximum base: 5,000
- Deduction amount = $5,000 \times 60\% = 3,000$
- Remaining deduction base, deductible in the following four years: $6,000 - 5,000 = 1,000$ euros
- Accumulated base: $15,000 - 5,000 = 10,000$

Mrs. TK

- Deduction base: $(8,000 \text{ euros} + 4,000 \text{ euros}) \div 2 = 6,000$
- Maximum base = 5,000 euros
- Deduction amount = $5,000 \times 60\% = 3,000$

- Remaining deduction base, deductible in the following four years: $6,000 - 5,000 = 1,000$ euros
- Accumulated base: $15,000 - 5,000 = 10,000$

Joint JG and TK

- Deduction base: 12,000 euros
- Maximum base = 5,000 euros
- Deduction amount = $5,000 \times 60\% = 3,000$
- Remaining deduction base, deductible in the following four years: $12,000 - 5,000 = 7,000$ euros
- Accumulated base: $15,000 - 5,000 = 10,000$

Year 2026

A. Yes Don JG and Mrs. TK They file individual tax returns in that fiscal year 2027.

1. When they filed an individual return in 2025

- Outstanding amounts 2025: 1,000
- Maximum deduction base (the smallest of):
 - Maximum annual base per declaration: 5,000
 - Accumulated base: 10,000
 - Amounts pending deduction: 1,000
- Deduction amount = $1,000 \times 60\% = 600$
- Pending balance = 0

2. When they filed a joint return in 2025

- Outstanding amounts 2025: $7,000 \text{ euros} \div 2 = 3,500$
- Maximum deduction base (the smallest of):
 - Maximum annual base per declaration: 5,000
 - Accumulated base: 10,000
 - Amounts pending deduction: 3.500
- Deduction amount = $3,500 \times 60\% = 2,100$

- Pending balance = 0

B. Yes Don JG and Doña TK They will file a joint tax return in 2026.

1. When they filed an individual return in 2025

- Outstanding amounts 2025: $1,000 \times 2 = 2,000$
- Maximum deduction base (the smallest of):
 - Maximum annual base per declaration: 5,000
 - Accumulated base [$15,000 - 5,000$ individual JG - $5,000$ individual TK] = 5,000
 - Amounts pending deduction: 2,000
- Deduction amount = $2,000 \times 60\% = 1,200$
- Pending balance = 0

2. When in 2025 they filed a joint return

- Outstanding amounts 2025: 7,000 euros
- Maximum deduction base (the smallest of):
 - Maximum annual base per declaration: 5,000
 - Accumulated base: 10,000
 - Amounts pending deduction: 7,000
- Deduction amount = $5,000 \times 60\% = 3,000$
- Pending balance = $(7,000 - 5,000) = 2,000$
- Accumulated base: $10,000 - 5,000 = 5,000$

Note: Amounts paid but not deducted because they exceed the maximum annual deduction base (2,000 euros) may be deducted in the 2027 financial year.

Summary table: Deductions for energy efficiency improvement works in homes

Differences	Deduction for improvement works that reduce heating and cooling demand (1)	Deduction for improvement works that reduce the consumption of non-renewable primary energy (2)	Deduction for energy rehabilitation works in buildings (3)
Type of housing (owned)	- Usual - Rented as a dwelling or on expectation provided it is rented before 31.12.2027. - Excluded: second homes, tourist housing, part affected by economic activity, parking spaces, storage rooms, gardens, swimming pools, sports facilities and similar elements.	- Usual - Rented as a dwelling or in expectation provided that it is rented before 31.12.2027. Excluded: second homes, tourist accommodation, part affected by economic activity, parking spaces, storage rooms, gardens, swimming pools, sports facilities and similar elements.	All types of property, except for property used for economic activities. Parking spaces and storage rooms acquired jointly are considered to be dwellings.
Deadline for carrying out the works and paying for them	From 06-10-2021 until December 31, 2025	From 06.10.2021 to 31.12.2025	From 06.10.2021 to 31.12.2025
Tax period in which the deduction can be made	In the tax period in which the energy efficiency certificate is issued. If amounts are paid prior to their issue, they will all be included in the period in which the deduction is applied. The certificate of completion after the works must be issued before 01.01.2026.	In the tax period in which the energy efficiency certificate is issued. If amounts are paid prior to their issue, they will all be included in the period in which the deduction is applied. The certificate of completion after the works must be issued before 01.01.2026.	The deduction will be applied in the tax periods 2021, 2022, 2023, 2024 and 2025 in relation to the amounts paid in each of them, provided it had been issued before from the end of the tax period in which the deduction is to be made, the energy efficiency certificate . The certificate issued after the works must be issued before 01.01.2026.
Energy efficiency certificate	Reduction of at least 7 the sum of the heating and cooling demand indicators (energy efficiency certificate of the home after the works	Reduction of at least 30% the non-renewable primary energy consumption indicator or an “A” or “B” energy	Reduction of by at least 30% in the non-renewable primary energy consumption indicator or obtaining an “A” or “B” energy rating

Differences	Deduction for improvement works that reduce heating and cooling demand (1)	Deduction for improvement works that reduce the consumption of non-renewable primary energy (2)	Deduction for energy rehabilitation works in buildings (3)
	compared to the previous one)	rating is obtained (energy efficiency certificate of the home after the works compared to the previous one)	(energy efficiency certificate for the building after the works with respect to the previous one)
Percentage of deduction	20%	40%	60%
Deduction base	Amounts paid for the execution of works that are paid by any means, excluding deliveries of legal tender. These amounts do not include costs related to the installation or replacement of equipment that uses fossil fuels. Any subsidies granted will be deducted from the base.	Amounts paid for the execution of works that are paid by any means, excluding deliveries of legal tender. These amounts do not include costs related to the installation or replacement of equipment that uses fossil fuels. Any subsidies granted will be deducted from the base.	Amounts paid for the execution of works that are paid by any means, excluding deliveries of legal tender. These amounts do not include costs related to the installation or replacement of equipment that uses fossil fuels. For works carried out by the communities of owners. The base will be the result of applying the coefficient of participation that the taxpayer had in the community to the amounts paid by the community. Any subsidies granted will be deducted from the base.
Maximum annual basis per declaration	5.000 €	7.500 €	5.000 €
Multi-year maximum limit (cumulative base)	No	No	15.000 €
Remaining for the following years	No	No	Amounts paid but not deducted because they exceed the maximum annual deduction base may be deducted, with the same

Differences	Deduction for improvement works that reduce heating and cooling demand (1)	Deduction for improvement works that reduce the consumption of non-renewable primary energy (2)	Deduction for energy rehabilitation works in buildings (3)
			limit, in the following four fiscal years , without in any case the accumulated deduction base being able to exceed 15,000 euros.

Deductions for the purchase of plug-in electric vehicles, fuel cell vehicles and charging points

The Tax Agency's electronic headquarters includes a "[Virtual Income Assistant](#)", where you can check who is entitled to these deductions, the deduction percentage for each of them and the tax period to which they apply, the maximum deduction base and, in the case of electric vehicles, the requirements they must meet.

Regulations: Fifty-eighth Additional Provision of the Law IRPFABBR

In order to promote electric mobility and reduce dependence on fossil fuels, Article 189 of Royal Decree-Law 5/2023, of June 28, which adopts and extends certain measures in response to the economic and social consequences of the War in Ukraine, to support the reconstruction of the island of La Palma and other situations of vulnerability; transposing European Union directives involving structural modifications of commercial companies, and work-life balance of parents and caregivers; and the implementation and enforcement of European Union law (BOE of June 29) amended, with effect from June 30, 2023, the Law of IRPFABBR to establish **two new temporary deductions in the total state tax liability**. The first is intended to promote the acquisition of electric vehicles by individuals and the second is intended to encourage the installation by said individuals of battery charging points for said electric vehicles.

Note: *The amount of these deductions will be subtracted from the total state tax liability after the deductions provided for in sections 1 (Deduction for investment in newly created or recently established companies), 2 (Deductions in economic activities), 3 (Deductions for donations and other contributions), 4 (Deduction for income obtained in Ceuta or Melilla and, by application of the provisions of the Fifty-Seventh Additional Provision of the Personal Income Tax Law, the deduction for habitual and effective residence on the island of La Palma), and 5 (Deduction for actions for the protection and dissemination of Spanish Historical Heritage and of cities, sites and properties declared World Heritage) of article 68 of the Law of IRPFABBR.*

These deductions are:

1. Deduction for the purchase of electric vehicles “plug-in” and fuel cell

Time scope, purpose, tax period in which it applies and amount of the deduction

Regulations: Fifty-eighth Additional Provision.1, 2 and 4 Law IRPFABBR

Temporal scope of the deduction

The deduction applies to the purchase of certain new "plug-in" electric and fuel cell vehicles, made from **June 30, 2023** until **December 31st 2025**, provided that the conditions and requirements set out in the following sections are met.

***Extension of the temporal scope of this deduction until December 31, 2025:** The First Final Provision of Royal Decree-Law 3/2025, of April 1, which establishes the incentive program linked to electric mobility (MOVES III) for the year 2025, validated by Resolution of April 10, 2025, of the Congress of Deputies, has modified, with effect from January 1, 2025, the time frame of this deduction until December 31, 2025.*

Purpose of the deduction and tax period in which the deduction is applied

The object of the deduction is the purchase by the taxpayer of a single **new electric vehicle**, in any of the following circumstances:

a. Purchase by one-time payment:

In this case, the deduction will be applied in the tax period in which the vehicle is registered and will be applied by the taxpayer in whose name the vehicle is registered.

Thus, in cases where the vehicle's first registration in Spain was not in the name of the taxpayer, but in the name of the dealer, the aforementioned requirement would not be met, and therefore the deduction for the purchase of new electric vehicles cannot be applied.

It would also not be applicable in the case of acquiring a used vehicle abroad, registered in Spain in 2023, 2024 or 2025, as it is a used vehicle.

Acquisition of vehicles by a married couple under a community property regime

In the case of married couples under a community property regime, provided the required conditions are met, the deduction will be applied exclusively to the spouse in whose name the vehicle is registered, regardless of whether it was purchased with community property funds.

b. Purchase through an initial payment on account and subsequent payments:

In this case, taxpayers may claim the deduction when they pay, between June 30, 2023, and December 31, 2025, an amount on account for the future acquisition of the vehicle that represents at least 25% of its acquisition value. The remainder must be paid and the

vehicle acquired before the end of the second tax period immediately following the one in which the payment of such amount was made.

In this case the expression “acquisition value” refers to the sale price of the vehicle. Therefore, it is sufficient that the amount paid on account represents 25% of the sale price of the vehicle.

The deduction will be made in the tax period in which the amount is paid on account.

Remember: The taxpayer may apply the deduction for a single purchase of any of the vehicles listed in section “ [requirements and conditions for its application](#) ” and must opt in relation to the same to apply the provisions in letter a) or b) above.

Base and maximum base of the deduction

The basis for the deduction will be the **acquisition value of vehicle** , including the expenses and taxes inherent to the acquisition.

However, any amounts that have been **subsidized or are to be** subsidized through a public aid program will be discounted.

The maximum annual base for this deduction will be **20,000 euros**

This limit is identical for individual and joint taxation.

Percentage of deduction

The deduction percentage applicable to the deduction base, in the terms discussed above, is **15 percent of the acquisition value of a new electric vehicle**.

Requirements and conditions for the application of the deduction

Only vehicles that meet the following requirements and conditions will be entitled to this deduction:

- It must be a new **vehicle and cannot be used for an economic activity**.

Note: In the event that after its acquisition the vehicle is used for an economic activity, the right to the deduction made will be lost.

- It must belong to one of the following **categories** :
 - a. **M1 passenger cars:** Motor vehicles with at least four wheels designed and manufactured for the transport of passengers, which have, in addition to the driver's seat, a maximum of eight seats.

- b. **L6e light quadricycles** : Light quadricycles whose unladen mass is less than or equal to 425 kg, not including the mass of the batteries, whose maximum speed by construction is less than or equal to 45 km/h , and maximum power less than or equal to 6 kW .
- c. **Heavy quadricycles L7e**: Four-wheeled vehicles, with a mass in running order (not including the weight of batteries) less than or equal to 450 kg in the case of passenger transport and 600 kg in the case of freight transport, and which cannot be classified as light quadricycles.
- d. **L3e, L4e, L5e Motorcycles**: Vehicles with two wheels, or with three symmetrical or asymmetrical wheels with respect to the median longitudinal axis of the vehicle, of more than 50 cm³ or speed greater than 50 km/h and whose gross vehicle weight does not exceed one ton.
- The model of the purchased vehicle **must appear in the IDAE Vehicle Base** (<https://coches.idae.es/base-datos/vehiculos-elegibles-programa- MOVES-III>).

The Institute for Energy Diversification and Saving (IDAE) is attached to the Ministry for Ecological Transition and the Demographic Challenge.

- If it is a vehicle of **category M** they must belong to one of the following **types** :
 - **Pure electric vehicles (BEV)**, powered entirely and exclusively by electric motors whose energy comes, partially or totally, from the electricity of their batteries, using energy from a source outside the vehicle for recharging. vehicle, for example, the electrical grid.
 - **Extended range electric vehicles (EREV)**, powered entirely and exclusively by electric motors whose energy comes, partially or totally, from the electricity of their batteries, using energy from a source for recharging exterior to the vehicle and that incorporate a gasoline or diesel internal combustion engine to recharge them.
 - **Plug-in hybrid vehicles (PHEV)**, powered totally or partially by gasoline or diesel internal combustion engines and electric vehicles whose energy comes, partially or totally, from the electricity of their batteries, using to recharge the energy from a source outside the vehicle, for example, the electrical grid. The electric motor must be powered by batteries charged from an external power source.
 - **Fuel Cell Electric Vehicle (FCV)**: Electric vehicle that uses exclusively electrical energy from an on-board hydrogen fuel cell.
 - **Fuel Cell Hybrid Electric Vehicle (FCHV)**: Fuel cell electric vehicle that also features rechargeable electric batteries.
- If it is a **category L** vehicle, it must meet the following requirements:
 - Be powered exclusively by electric motors and be approved as an electric vehicle.

- In the case of new electric motorcycles (categories L3e, L4e and L5e) eligible for aid, they must have lithium batteries, an electric motor with an engine power equal to or greater than 3 kW, and a minimum range of 70 km.
- He **sale price of the vehicle purchased** (before IVAABBR either IGIC) **cannot exceed the maximum amounts** which are listed in the following table, established, where applicable, for each type of vehicle in the **Annex III of Royal Decree 266/2021, of April 13**, which approves the direct granting of aid to the autonomous communities and the cities of Ceuta and Melilla for the execution of incentive programs linked to electric mobility (MOVES III) within the framework of the European Recovery, Transformation and Resilience Plan, calculated in the terms established in said regulation.

Category	Types Engine	Range in electric operating mode (km) according to WLTP cycle	Vehicle sale price limit (€) without IVAABBR either IGIC
M1	Fuel cell (FCV , FCHV)	-	-
	PHEV , EREV , BEV	Greater than or equal to 30 and less than 90	45,000 (53,000 for BEV vehicles with 8 or 9 seats)
		Greater than or equal to 90	
L6e	BEV	-	-
L7e	BEV		
L3e, L4e, L5e, with P ≥ 3 kW	BEV	Greater than or equal to 70	10,000

2. Deduction for the installation of charging infrastructure

Regulations:Additional Provision fifty-eighth. Law 3 and 4 IRPFABBR

Time scope of the deduction and requirements for its application

The deduction applies to amounts paid by taxpayers from **June 30, 2023** until **December 31, 2025**, for the installation during said period of battery charging systems for electric vehicles that meet the following conditions:

- The installation must be carried out **on a property owned by taxpayer** .

This includes both parking facilities for single-family homes or single-property properties, as well as parking lots or collective parking spaces in buildings or real estate complexes under a horizontal property regime in which the taxpayer is a co-owner.

- Installation **n or may be affected by an economic activity.**

Note: *If, after installation, the battery charging systems are used for an economic activity, the right to the deduction will be lost.*

- The installation must be **completed before December 31, 2025.**

To apply the deduction **you must have the authorizations and permits established in current legislation**

See in this regard Royal Decree 1053/2014, of December 12, which approves a new Complementary Technical Instruction (ITC) BT 52 "Installations for special purposes. "Infrastructure for the recharging of electric vehicles" of the Low Voltage Electrical Regulations, approved by Royal Decree 842/2002, of August 2, and other complementary technical instructions thereof are modified.

Extension of the temporal scope of this deduction until December 31, 2025: *The First Final Provision of Royal Decree-Law 3/2025, of April 1, which establishes the incentive program linked to electric mobility (MOVES III) for the year 2025, validated by Resolution of April 10, 2025, of the Congress of Deputies, has modified, with effect from January 1, 2025, the time frame of this deduction until December 31, 2025.*

Tax period in which the deduction is applied

The deduction will be applied **in the tax period in which the installation is completed**, which cannot be later than 2025.

When the installation is completed in a tax period after the one in which amounts were paid for such installation, **the deduction will be applied in the latter** taking into consideration the amounts paid from June 30, 2023 to December 31 of said tax period.

Base and maximum base of the deduction

A. Deduction base

The basis for the deduction will be the amounts paid, by **credit or debit card, bank transfer, personal check or deposit into accounts in credit institutions**, to the persons or entities that carry out the installation.

However, **any amounts that have been subsidized** through a public aid program will be discounted.

Please note that if the deduction is applied in the corresponding personal income tax return and the subsidy is granted and the subsidized amounts correspond to amounts that have formed part of the deduction base, the tax situation must be regularized so that the amounts corresponding to said subsidy are not included in the deduction base (with the maximum annual deduction base as a limit).

To this end, in accordance with article 59 of the Personal Income Tax Regulations, the amount of the improperly applied deduction will be added to the state net quota of the Personal Income Tax return corresponding to the year in which the subsidy was granted.

Note: *In no case will amounts paid through legal tender money give the right to deduct.*

For these purposes, the amounts paid for the installation of the **recharging systems will be considered as those necessary** to carry it out, such as, **the investment in equipment and materials, installation costs thereof and the works necessary for its development**

B. Maximum deduction base

The maximum annual base for this deduction will be **4 .000 euros**

This limit is identical for individual and joint taxation.

Percentage of deduction

The deduction percentage applicable to the deduction base, in the terms discussed above, is **15 percent of the amounts paid for the installation of battery recharging systems for electric vehicles.**

Summary Table - Deductions for the purchase of electric vehicles and charging points

Differences	Deduction for the purchase of plug-in electric and fuel cell vehicles	Deduction for the installation of charging infrastructure
Time scope	It applies to vehicle acquisitions new or payments on account for this purpose, made between 30.06.2023 and December 31, 2025 .	It applies to the amounts paid for the installation from June 30, 2023 until December 31, 2025 .
Purpose of the deduction and requirements	The purchase of a unique electric vehicle: • New. • Included in one of the categories and types established in DA 58 of the Law of IRPFABBR. • Not affected by economic activity. • Registered for the first time before 31.12.2025, or in the case of acquisition through several payments, before the end of the second tax period immediately following the one in which the payment on account was made. • Whose sale price (before VAT or IGIC) does not exceed the maximum amounts of Annex III of Royal Decree 266/2021, of April 13 (MOVES III).	The installation of battery charging systems for electric vehicles: • That it ends before 31.12.2025. • On a property owned by the taxpayer. • It does not affect economic activity.
Tax period in which the deduction is applied	a. In case of acquisition by a single payment: It will be carried out in the tax period of registration . b. In case of acquisition through several payments: It will be practiced in the tax period in which the first payment on account is made which must have been carried out between 30.06.2023 and 31.12.2025 provided that, in addition: • represents at least 25% of its acquisition value and, • the remainder is paid and the vehicle is purchased before the end of the second tax period immediately following the one in which the first payment was made.	In tax period in which the installation ends. When the installation is complete in a tax period later than that in which They paid amounts For such installation, the deduction will be made in the latter taking into consideration the amounts paid from 30.06.2023 to 31.12.2025.
Deduction base	The acquisition value of the vehicle, including expenses and taxes inherent to the acquisition.	Amounts paid between 30.06.2023 and 31.12.2025, by credit or debit card, bank transfer, nominative check or deposit

Differences	Deduction for the purchase of plug-in electric and fuel cell vehicles	Deduction for the installation of charging infrastructure
	The amounts that have been subsidized or are going to be through a public aid program will be deducted from the base.	into accounts in credit institutions, excluding deliveries of legal tender. The amounts paid for the installation of the charging systems will be considered as the necessary to carry it out, such as the investment in equipment and materials, installation costs thereof and the works necessary for its development. The amounts that would have been subsidized through a public aid program will be deducted from the base.
Maximum deduction base	20,000 euros	4,000 euros
Percentage of deduction	15%	15%

Example: Deduction for the purchase of electric vehicles and charging points

On July 11, 2025, after signing the purchase agreement, Ms. APR paid the amount of 14,400 euros to the dealership XXX, as a down payment for the future acquisition of a pure electric vehicle (BEV) of category M, from a commercial house whose model is listed in the IDEA Vehicle Database, which she will use for her own personal purposes.

The retail price (including taxes) of the aforementioned vehicle is 48,000 euros and the amount pending its acquisition will be paid in three payments of 11,200 euros. One in December 2025, the second in December 2026 and the last with the delivery of the registered vehicle (scheduled for early 2027).

In addition, the dealer, with the consent of Mrs. APR, has completed the procedures to request the €4,500 aid from the incentive programme linked to electric mobility (MOVES III) within the framework of the European Recovery, Transformation and Resilience Plan.

Notwithstanding the foregoing, the taxpayer, who has an individual parking space in the communal garage of the building where she resides, contracted in November 2025 with an authorized company for the installation of a charging point for her future car, choosing among the possible alternatives, to install a charging point in her parking space connected by cable to the electricity meter of her home (that is, through Scheme 2 that includes the Complementary Technical Instruction (ITC) BT-52 "Individual scheme with a common meter for the home and the charging station"), since the structure of the building and garage allowed it.

To this end, and in accordance with Article 17.5 of Law 49/1960, of 21 July, on horizontal property, I hereby inform the community of owners of my intention to install a charging point for electric vehicles in their space, providing a technical report on the route that the wiring channel was to follow.

The installation was carried out in accordance with the Low Voltage Electrotechnical Regulations, approved by Royal Decree 842/2002, of August 2, specifically ITC-BT-52. Appropriate IP and IK protection level depending on the location according to REBT, so once completed the appropriate Electrical Installation Certificate (CIE) was issued by the installation company.

The total cost reached 2,500 euros, which were paid by Ms. APR via bank transfer on December 20, 2025. The request has been made for aid from the incentive programme linked to electric mobility (MOVES III) intended for charging infrastructure for "Private use in the residential sector" which could reach 1,700 euros but has not yet been granted.

Note: see the SUPPLEMENTARY TECHNICAL INSTRUCTION (ITC) BT-52 of Royal Decree 1053/2014, of December 12, which approves a new Supplementary Technical Instruction (ITC) BT 52 "Installations for special purposes. Infrastructure for the recharging of electric vehicles" of the Low Voltage Electrical Regulations, approved by Royal Decree 842/2002, of August 2, and other complementary technical instructions thereof, instruction 3, are modified. Installation diagrams for charging electric vehicles .

Determine the amount of the deduction that you can apply in 2025.

Solution:

A. Deduction in the IRPFABBR through the purchase of new electric vehicles

Previous note: The taxpayer has the right to apply this deduction because it concerns the purchase for private use of a single new vehicle of category M, belonging to the type of pure electric vehicles (BEV) that appears in the IDAE Vehicle Base and whose sale price of the vehicle does not exceed the maximum amount established for this type of vehicle in Annex III of Royal Decree 266/2021, which is 45,000 euros without VAT (21%).

Furthermore, you can apply it in 2025 because the taxpayer has opted for the payment of an amount on account (14,400 euros) that exceeds 25 percent of the acquisition value of the same (48,000 euros) and, according to the stipulations agreed with the dealership, the full payment and the acquisition of the vehicle will take place before the end of the second tax period immediately following the one in which the payment on account took place.

- Deduction base: 43,500

Note: The amount of the public subsidy (Moves III aid) requested (4,500 euros) is deducted from the purchase value (48,000 euros). Therefore, $48,000 - 4,500 = 43,500$

- Maximum deduction base: 20,000 euros
- Deduction amount: $(20,000 \times 15\%) = 3,000$

B. Deduction in the IRPFABBR through the installation of charging infrastructure

Previous note: The taxpayer is entitled to apply this deduction since the installation of the charging point was carried out in 2025 in a property owned by her (parking space in the community garage), is intended for private use and has the authorizations and permits established in current legislation.

- Deduction base: 2,500

Note: Until the taxpayer receives a final decision on the granting of the aid that he has requested for the charging infrastructure, he should not deduct the amount of the subsidy from the deduction base.

In the case of the deduction for the installation of charging infrastructure, unlike the deduction for the acquisition of new electric vehicles, the DA58 of the Law on IRPFABBR It does not allow for the deduction from the base of "those amounts that, where applicable, may have been subsidized" **or were going to be** through a public aid program," but in section 3 it refers solely and exclusively to the possibility of deducting from the base "those amounts that, where applicable, **would have been subsidized** through a public aid program." Therefore, their deduction will not proceed until they are granted.

However, once the subsidy has been granted, the tax situation must be regularised so that the amounts corresponding to said subsidy are not included in the deduction base (with the maximum annual deduction base as a limit). To that end, in accordance with Article 59 of the Regulation of IRPFABBR, will be added to the state net quota of the declaration of IRPFABBR corresponding to the year in which the subsidy was granted, the amount of the deduction unduly made.

- Maximum deduction base: 4,000 euros
- Deduction amount: $(2,500 \times 15\%) = 375$

Deduction applicable to family units formed by tax residents in Member States of the European Union or the European Economic Area

Regulations: Forty-eighth Additional Provision of the Law IRPFABBR

Delimitation and conditions for its application

Since 1 January 2018, and in order to adapt our regulations to European Union Law, this deduction has been established on the quota in favour of those taxpayers who are part of a family unit in which one of its members resides in another Member State of the European Union or the European Economic Area, which prevents them from filing a joint declaration. In this way, the amount payable by the taxpayer resident in Spanish territory is equal to what would have been borne if all members of the family unit had been tax residents in Spain.

Conditions for the application of the deduction

The deduction may be applied by those taxpayers who meet the following conditions:

- That it forms part of one of the following types of family unit referred to in article 82.1 of the Law of IRPFABBR:
 1. The one made up of spouses who are not legally separated and, if applicable:
 - Minor children, except those who, with the consent of their parents, live independently of them.
 - Children of legal age who are legally incapacitated and subject to extended or renewed parental authority.
 2. In cases of legal separation, or when there is no marital bond, the family is formed by the father or mother and all the children who live with one or the other and who meet the requirements referred to in rule 1 of this article.
- That the family unit is made up of taxpayers for the IRPFABBR and by residents in another Member State of the European Union or the European Economic Area.
- That in the Member State of the European Union or the European Economic Area in which any of the members of the family unit reside, there are regulations on mutual assistance in matters of exchange of tax information in the terms provided for in the LGT , which is applicable.

In relation to the LGT see Law 58/2003, of December 17, General Tax.

Note: Please note that, with effect from July 11, 2021, article sixteen of Law 11/2021, of July 9, on measures to prevent and combat tax fraud, transposing the Directive (EU) 2016/1164, of the Council, of July 12, 2016, establishing rules against tax avoidance practices that directly affect the functioning of the internal market, modifying various tax rules and regarding gambling regulation (BOE of July 10) has modified the first Additional Provision of Law 36/2006, of November 29, on measures for the prevention of tax fraud, replacing, in accordance with the new international parameters, the concepts of tax havens, countries or territories with which there is no effective exchange of information, or countries with zero or low taxation, with that of non-cooperative jurisdictions.

Likewise, the aforementioned Law 11/2021 adds a new tenth Additional Provision to Law 36/2006, which establishes in section 2 that "References made to sections 2, 3 and 4 of the Additional Provision will be understood to be deleted first of this Law, in its drafting prior to the entry into force of Law 11/2021, on measures to prevent and combat tax fraud and transposition of the Directive (EU) 2016/1164, of the Council, of July 12, which establishes rules against tax avoidance practices that directly affect the functioning of the internal market, modifying various tax rules and the regulation of gambling.

For its part, section 3 of the new Additional Provision tenth of Law 36/2006 states that "The normative references made to States with which there is an effective exchange of tax information or in tax matters, shall be understood to be made to States with which there are regulations on mutual assistance in matters of exchange of tax information in the terms provided for in Law 58/2003, of December 17, General Tax, which is applicable."

Assumptions excluded from the application of the deduction

This deduction will not apply when any of the members of the family unit:

- I would have opted to pay taxes under the special regime applicable to the [workers posted to Spanish territory](#) in accordance with the provisions of Article 93 of the Law of IRPFABBR
- I would have opted to pay taxes under the regime provided for [taxpayers resident in other Member States of the European Union](#) in article 46 of the consolidated text of the Non-Resident Income Tax Law.
- Do not have a tax identification number.

Deduction calculation

Taxpayers may deduct from the total tax liability corresponding to their individual tax return the following: IRPFABBR the result of the following operations:

1. The following quantities are added together:

- The full state and regional contributions reduced by the deductions provided for in articles 67 and 77 of the Law of IRPFABBR, of the members of the family unit contributing by the IRPFABBR
- The Non-Resident Income Tax rates corresponding to the income obtained in Spanish territory in that same tax period by the rest of the members of the family unit.

This operation is represented graphically below 1.

Operation diagram 1

State net prior quota =	Previous net regional quota =
(+) Full state quota	(+) Full regional quota
(-) Deductions from article 67 of the Personal Income Tax Law: • 50% Deduction for investment in primary residence • 100% Deduction for investment in new or recently created companies • 50% Deduction for actions for the protection and dissemination of the Spanish Historical Heritage and the cities, groups and assets declared World Heritage • 50% Deduction for donations and other contributions • 50% Deduction for incentives and stimuli for business investment • 50% Deduction for allocations to the Reserve for Investments in the Canary Islands (Law 19/1994) • 50% Deduction for income derived from the sale of tangible assets produced in the Canary Islands (Law 19/1994) • 50% Deduction for income obtained in Ceuta or Melilla • 50% Deduction for habitual and effective residence on the island of La Palma • 50% Deduction for rent of the habitual residence. Transitional scheme • 100% Deductions for energy efficiency improvement works in homes • 100% Deductions for the acquisition of plug-in electric vehicles and fuel cells and for charging points	(-) Deductions from article 77 of the Personal Income Tax Law: • 50% Deduction for investment in primary residence • 50% Deduction for actions for the protection and dissemination of the Spanish Historical Heritage and the cities, groups and assets declared World Heritage • 50% Deduction for donations and other contributions • 50% Deduction for incentives and stimuli for business investment • 50% Deduction for allocations to the Reserve for Investments in the Canary Islands (Law 19/1994) • 50% Deduction for income derived from the sale of tangible assets produced in the Canary Islands (Law 19/1994) • 50% Deduction for income obtained in Ceuta or Melilla • 50% Deduction for habitual and effective residence on the island of La Palma • 50% Deduction for rent of the habitual residence. Transitional scheme • 100% regional deductions
Σ State prior net quota + Autonomous prior net quota + IRNR quota = Amount obtained (C ¹)	

2. The total net quota that would have resulted from having been able to choose to pay taxes jointly with the rest of the members of the family unit is determined (C ²).

For this calculation, only the portion of the positive income of non-resident members of the family unit that exceeds the negative income obtained by the latter will be taken into account for each source of income.

Note: For these exclusive purposes, it will be understood that all members of the family unit are taxpayers. IRPFABBR.

3. It is subtracted from the amount obtained in number 1. (C^1) the quota referred to in number 2. (C^2). When this difference is negative, the amount to be computed will be zero.. Therefore:

- $C^1 - C^2$ is less than or equal to 0: **No deduction is applicable**
- $C^1 - C^2$ is greater than 0: **Deduction is required**

4. It will be deducted from the total state and regional tax liability, once the deductions provided for in articles 67 and 77 of the Law have been made. IRPFABBR, the amount provided for in number 3. in the following way :

- The full state rate will be reduced in the proportion that the Non-Resident Income Tax rates represent with respect to the total amount provided for in number 1., and
- The remainder will reduce the full state and regional quota in equal parts.

When there are several taxpayers from IRPFABBR integrated into the family unit, this reduction will be made proportionally to the respective full quotas, once the deductions provided for in articles 67 and 77 of this Law have been made, of each of them.

Example: Deduction applicable to family units formed by tax residents in Member States of the European Union or the European Economic Area

Family unit made up of the spouses Mr. "A", resident in Spain and Mrs. "B", resident during 2025 in Germany, with a recognized degree of disability of 40 percent and the son of the above, Mr. "C", under 18 years of age, who lives with Mr. ARM in Spain.

To determine whether or not the deduction applicable to family units formed by tax residents in Member States of the European Union or the European Economic Area is appropriate, and, if so, the amount to be deducted from the state tax liability and the regional tax liability of the tax return IRPFABBR, fiscal year 2025 by Mr. "A" and his son, Mr. "C", taking into account the following data:

- In the statement of IRPFABBR Mr. "A"'s full state tax liability amounts to 15,250 euros and his full regional tax liability to 16,000 euros, having the right to general tax deductions amounting to 1,550 euros.
- In the statement of IRPFABBR For Mr. "C" in 2025, the sum of his total state and regional contributions amounts to 300 euros, and he is not entitled to any deduction.
- The non-resident family unit member, Ms. "B", paid the amount of 380 euros for the Non-Resident Income Tax quota corresponding to the income obtained in Spanish territory in that year 2025.
- The total net tax that would have resulted from having been able to choose to pay taxes jointly by all members of the family unit would have been 29,280 euros.

Solution :

Previous note: The numerical data used in this example are simulated and are intended solely to explain how this deduction is calculated and how its amount is distributed when there are several taxpayers. IRPFABBR, integrated into the family unit, who have the right to it. It is therefore noted that the amounts of full quotas and net quota do not coincide with those that could result in a real scenario.

1. Calculation of the deduction applicable to family units formed by tax residents in the EU / EEA

- **Sum of the following installments:**
 - Taxpayer Mr. "A": Sum of full state and regional contributions minus deductions:
 $(31,250 - 1,550) = 29,700$
 - Taxpayer Mr. "C" Sum of gross state and regional contributions reduced by deductions
 $(300 - 0) = 300$
 - Non-resident Ms. "B": Non-resident Income Tax Fee: 380

Total amount (C1): $(29,700 + 300 + 380) = 30,380$

- **Amount of the net tax if all were residents and paid taxes jointly (C2):** 29.280
- **Difference (C1 -C2):** $(30,380 - 29,280) = 1,100$

Note: Since the difference is positive (1,100), it is appropriate to apply the deduction for this amount. If this difference had been negative, the amount to be computed would be zero.

2. Calculation of the total amount of the deduction that must be applied to each resident, taxpayer of IRNR :

Sum of the full state and regional quotas reduced by the deductions of taxpayers Mr. "A" and Mr. "B": $(29,700 + 300) = 30,000$

- Amount corresponding to taxpayer Mr. "A": $(29,700 \times 1,100 \div 30,000) = 1,089.00$
- Amount corresponding to taxpayer Mr. "C": $(300 \times 1,100 \div 30,000) = 11.00$

Note: The calculation of the amount of the deduction to be applied to each resident will be carried out in proportion to the respective total quotas reduced by the deductions.

3. Amount of the deduction that will be deducted from the state full rate and the regional full rate

- The percentage that the quotas represent is calculated from IRPFABBR with respect to the amount C1 and this percentage is applied to the amount of the deduction that corresponds to each resident.

Percentage of quota IRNR with respect to C1: $(380 \div 30,380) \times 100 = 1.25\%$

Part corresponding to Mr. "A": $1,089 \times (1.25 \div 100) (*) = 13.61$

Part corresponding to Mr. "C": $11 \times (1.25 \div 100) (*) = 0.14$

(*) These amounts will reduce the total state quota.

- The remainder is divided between two

Part corresponding to Mr. "A": $(1,089 - 13.61) \div 2 (**) = 537.70$

Part corresponding to Mr. "C": $(11 - 0.14) \div 2 (**) = 5.43$

(**) These amounts will reduce the full state quota and the full regional quota.

- Amount of the deduction that will reduce the full state and regional quotas

Mrs":

Amount that reduces the total state quota $(13.61 + 537.70) = 551.31$

Amount that reduces the autonomous integral quota = 537.69

Mr. "C":

Amount that reduces the full state quota $(0.14 + 5.43) = 5.57$

Amount that reduces the autonomous integral quota = 5.43

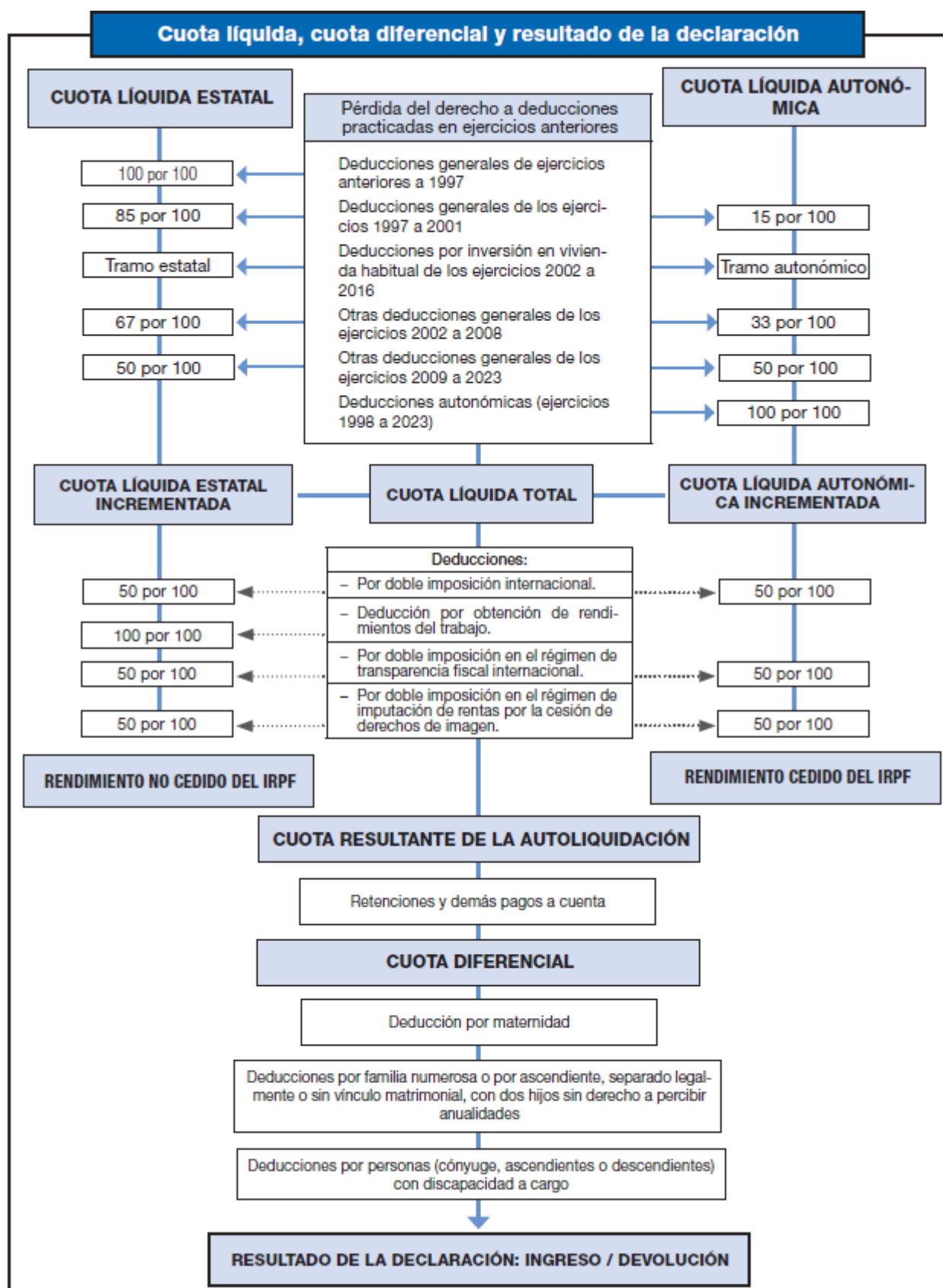
Chapter 17. Regional tax credits applicable in the 2025 tax year

You can consult the deductions approved by each Autonomous Community for 2025 in the [Part 2](#) of this Manual.

Chapter 18. Net rate, rate resulting from self-assessment, differential rate and result of the declaration

Introduction

Once the amount of the net state and regional contributions has been quantified, and taking into account the transfer of the IRPFABBR For the Autonomous Communities, the remaining operations that must be carried out to determine the result of the declaration are shown, in a graphic and summarized way, in the following table:



Increase in net contributions, both state and regional, due to loss of the right to deductions from previous years

Introduction

Regulations: Art. 59 and third transitional provision of the Regulations IRPFABBR. See also art. 122.2, second paragraph, LGT

When in the year 2025 **any of the requirements for consolidating the right to the deductions already made had not been met** and, consequently, the right to them is lost, in whole or in part, the taxpayer will be obliged to add to the state net tax and the regional net tax accrued in the 2025 tax year, the amounts unduly deducted, plus the corresponding late payment interest.

The amounts by which the net contributions, both state and regional, should be increased must be determined in accordance with the following details:

- **General deductions from the quota corresponding to years prior to 1997:**

The amount of any undue deductions, regardless of their nature or concept, plus late payment interest, shall be applied in full to increase the state's net share.

- **General deductions from the quota corresponding to the years 1997 to 2001:**

The amount of undue deductions, whatever their nature or concept, plus late payment interest will be applied 85% to increase the state net quota and 15% to increase the regional net quota.

- **Deduction for investment in main residence for the years 2002 to 2024.**

The amount of the state portion of the undue deduction plus late payment interest will be applied to increase the state net quota and the amount of the regional portion plus the corresponding late payment interest will be applied to increase the regional net quota.

The amount of the state portion and the amount of the regional portion will be those applied in the declarations corresponding to the years 2002 to 2024 that must be regularized. For example:

For the 2008 fiscal year , if the right to the deduction for investment in habitual housing made in the declaration for that fiscal year 2008 is lost, the amount of the state section will be the one entered in box **[0700]** and that of the autonomous section in box **[0701]** , of the declaration for the aforementioned fiscal year.

For the 2009 financial year, if the regularization affects the aforementioned financial year, the determination of the autonomous section of the deduction for investment in habitual housing must be carried out considering a 50% transfer, as well as the exercise of regulatory powers carried out by the respective Autonomous Community. The national section, for its part, will be determined by the difference between the total amount of the deduction for investment in habitual residence applied and the regional section of the same.

Please note that, in the aforementioned year, although it was settled taking as a reference a 33% transfer and the regulations in force as of December 31, 2009, the income transferred to the Autonomous Communities is 50%, so the amount corresponding to the state section and the autonomous section of the deduction for investment in habitual residence corresponding to the year 2009 can be determined as follows:

a. Taxpayers resident in 2009 in the Autonomous Community of Catalonia or the Autonomous Community of the Balearic Islands:

- **State section** is the result of adding the amounts reflected in boxes **[0700]** and **[0701]** of the declaration for that year and subtracting from it the amount recorded in box **[0772]** of the declaration. That is $([0700] + [0701] - [0772])$.

- **Regional section**, is the amount entered in box **[0772]** of the declaration for that year.

b. Taxpayers resident in 2009 in the remaining Autonomous Communities:

The state section and the regional section are the same and their amount coincides for each of them with that reflected in box **[0772]** of the declaration for that year.

c. For the years 2010, 2011 and 2012 the amount of the state section will be the one recorded in box **[0700]** and that of the autonomous section in box **[0701]**, of the declaration for the corresponding year.

For the 2013 fiscal year the amount of the state section will be the one recorded in box **[0470]** and that of the autonomous section in box **[0471]**, of the declaration for the aforementioned fiscal year.

For the 2014 fiscal year the amount of the state section will be the one recorded in box **[0547]** and that of the autonomous section in box **[0548]**, of the declaration for the aforementioned fiscal year.

For the 2015 fiscal year the amount of the state section will be the one recorded in box **[0492]** and that of the autonomous section in box **[0493]**, of the declaration for the aforementioned fiscal year.

For the 2016 fiscal year the amount of the state section will be the one recorded in box **[5001]** and that of the autonomous section in box **[5002]**, of the declaration for the aforementioned fiscal year.

For the 2017 fiscal year the amount of the state section will be the one recorded in box **[0516]** and that of the autonomous section in box **[0517]** , of the declaration for the aforementioned fiscal year.

For the fiscal years 2018, 2019, 2020, 2021, 2022, 2023 and 2024 The amount of the state portion will be the amount indicated in the box **[0547]** and the one for the regional section in box **[0548]**, from the declaration of the aforementioned fiscal year.

- **Remaining general deductions from the tax rate for the years 2002 to 2008:**

The amount of the undue deductions plus late payment interest will be applied 67% to increasing the state net quota and 33% to increasing the regional net quota.

- **Remaining general deductions from the tax liability for the years 2009 to 2024:**

The total amount resulting from adding the state and regional parts of the deductions recorded in the declarations for the years 2009 to 2024, which, if applicable, due to the loss of the right to them, must be regularized in the year 2025 plus late payment interest, will be applied 50 percent to increase the state net tax liability and 50 percent to increase the regional net tax liability.

However, in the case of the deduction for investment in newly created or recently established companies under Article 68.1 of the Personal Income Tax Law, the temporary deductions for energy efficiency improvement works in homes under the Fiftieth Additional Provision of the Law, and the deductions for the acquisition of "plug-in" electric vehicles and fuel cell vehicles and charging points under the Fifty-eighth Additional Provision of the Law IRPFABBR Since it falls exclusively on the full state tax liability, if the right to the deductions made is lost, in whole or in part, due to non-compliance with the requirements, it will be necessary to regularize by adding the amount of the undue deductions plus the late payment interest to the net state tax liability. The amount of the deductions to which the right has been lost in 2025 will be entered in the box **[0574]** and the late payment interest in the box **[0576]**.

- **Regional tax deductions for the years 1998 to 2024:**

The amount of undue regional deductions plus late payment interest will be applied in full to increase the regional net tax rate.

Important: Deductions incorrectly or improperly made in the year in which they were applied must be regularised by submitting the corresponding self-assessment supplementary to the one originally submitted in said year, without this regularisation procedure being applicable.

Main deductions made in previous years whose loss of right determines the obligation to increase the liquid contributions

Among the deductions made in tax returns for previous years, the subsequent loss of which determines the obligation to increase the net tax liability of the 2025 tax return, the following should be highlighted:

General or regional deductions for investment in the habitual residence and for works to adapt the habitual residence for people with disabilities

In general: circumstances that determine the loss of the right to deductions made

In accordance with the regulations in force in the years in which the deductions for this concept were applied, the right to them will be lost if, after said years, the continuous period of three years of occupation of the home is not met, unless there are exceptional circumstances that necessarily require the change of address.

See within Chapter 16, the [concept of habitual residence](#).

Note: *The transitional regime for the deduction for investment in housing allows taxpayers who are entitled to it to continue applying this deduction from 2013 onwards, in accordance with the regulations contained in the Law and the Personal Income Tax Regulations in their version in force on 31 December 2012.*

Special case: Amounts received for the repayment of loan interest rate limitation clauses (floor clauses) that had formed part of the basis for the deduction for investment in primary residence or deductions established by the Autonomous Community in previous years.

Regulations: Forty-fifth Additional Provision of the Law IRPFABBR

It will not be included in the taxable base of IRPFABBR The return, in cash or through other compensation measures, of the amounts previously paid to financial entities as interest for the application of clauses limiting interest rates on loans (the so-called floor clauses), together with their corresponding compensatory interest, derived both from agreements made with financial entities and from compliance with judgments or arbitration awards.

Please note that Chapter 2 includes a general and detailed study of the tax treatment of amounts received from the repayment of [interest rate limitation clauses](#) of loans arising from agreements entered into with financial institutions or from compliance with judgments or arbitration awards.

However, when such amounts previously paid by the taxpayer subject to the refund, **had formed part, in previous years, of the basis for the deduction for investment in habitual housing or of deductions established by the Autonomous Community**, the following assumptions must be differentiated for the purposes of their tax treatment:

a. If the return of these amounts is made in cash:

- The taxpayer **will lose the right to the deductions made** in relation to them, **must be added to the state and regional net quota**, accrued in the year in which the agreement with the financial entity was concluded or in which a court judgment or arbitration award is issued (finality of the judgment, if applicable), **exclusively the amounts improperly deducted** in previous exercises under the terms provided for in Article 59 of the Regulations of IRPFABBR, **excluding late payment interest**.

This regularization will only be carried out with respect to the in which the Administration's right to determine the tax debt through the appropriate liquidation has not expired.

Remember: *The regularization increases the state and regional net quota in the amounts unduly deducted in previous years without including late payment interest, that is, boxes [0573], [0576], [0578] and [0581] of the declaration, intended for late payment interest, should not be completed.*

- However, the amounts that would have been **satisfied by the taxpayer in 2025 and in relation to those which, before the end of the self-assessment filing period of IRPFABBR for said exercise** (June 30, 2026), **the return agreement is reached** The same with the financial entity or as a result of a court ruling or an arbitration award, will not form part of the deduction base for investment in main residence or any regional deduction for the aforementioned 2025 financial year.

b. If the repayment of these amounts occurs through the offsetting of these with a portion of the capital pending amortization the addition to the state and regional net quota mentioned above will not apply with respect to the portion of the amounts that are directly allocated by the financial institution, after the agreement with the affected taxpayer, to reduce the principal of the loan.

However, the amounts to be repaid that are used to reduce the principal of the loan in 2025 **They will also not form part of the basis for the deduction for investment in main residence or any regional deduction of IRPFABBR of the aforementioned exercise.**

State deductions for amounts invested to subscribe for shares or participations in new or recently created companies

The right to the deduction for investment in newly created or recently established companies made in previous years will be lost, in whole or in part, when any of the following are not met: [requirements stipulated in article 68.1 of the Law of IRPFABBR](#). Among other assumptions:

- When the entity becomes admitted to trading on an organized market during the years in which the taxpayer holds the share or participation.

- When the entity does not have the personal and material means for the development of economic activity. In particular, when the entity carries out an activity related to the management of movable or immovable assets referred to in article 4.8.Two.a) of Law 19/1991, of June 6, on the Wealth Tax, in any of the entity's tax periods concluded prior to the transfer of the participation.
- When shares or interests are transferred without having remained in the taxpayer's assets for a period of more than three years and less than twelve years.
- When the direct or indirect participation of the taxpayer, together with that held in the same entity by his/her spouse or any person related to the taxpayer by kinship, in a direct or collateral line, by consanguinity or affinity, up to the second degree included, exceeds, during any day of the calendar years of holding the participation, 40% of the share capital of the entity or its voting rights.

This requirement is not applicable and, therefore, does not determine the loss of the right from January 1, 2023 when the taxpayer is a founding partner of a start-up company referred to in Law 28/2022, of December 21, on the promotion of the ecosystem of start-ups, understood as those that appear in the public deed of incorporation of the same.

The taxpayer will be obliged to add to the state net quota all the deductions improperly made plus the corresponding late payment interest.

Other general deductions from previous years

General deductions from previous years for business investment

When, in a fiscal year following the one in which the deductions for business investment were applied, any of the requirements established in the regulations governing Corporate Tax to consolidate the right to said deductions are not met, the adjustment must be made by the taxpayer himself in the declaration for the fiscal year in which the non-compliance occurred, adding to the net tax amount, in the terms discussed in the first two points above, the amount of the deductions made whose right would have been lost for this reason, plus the late payment interest corresponding to the period during which the deduction was enjoyed.

The same procedure will apply in the event of non-compliance with the obligations required for the reserve for investments in the Canary Islands or the deduction for income derived from the sale of tangible assets produced in the Canary Islands and, from January 1, 2023, for the reserve for investments in the Balearic Islands and the deduction for income derived from the sale of tangible assets produced in the Balearic Islands, applicable during the years 2023 to 2028.

For these purposes, it should be noted that, although the deduction for job creation in article 37 of the LIS is not applicable from the 2020 financial year, failure to comply with any of its requirements will result in the loss of the right to deductions made in previous years.

However, the obligation to maintain the employment relationship for at least three years from the date it begins will not be deemed breached when the employment contract is terminated, once the one-year trial period has elapsed, for objective reasons or disciplinary dismissal when one or the other is declared or recognised as appropriate, resignation, death, retirement or permanent total, absolute or severe disability of the worker.

Accuracy : See the 2019 Practical Income Tax Manual for the requirements and amount of this deduction.

Deductions for donations of goods or works of art covered by Law 30/1994 or Law 49/2002

The loss of the right to the corresponding deduction for donations of goods or works of art in favor of foundations or associations declared to be of public utility included in the scope of application of Law 30/1994, of November 24, on Foundations and Tax Incentives for Private Participation in Activities of General Interest, or in the scope of application of Law 49/2002, of December 23, on the Tax Regime of Non-Profit Entities and Tax Incentives for Patronage, may occur as a consequence of the revocation of said donations.

Deductions for investments or expenses in assets of cultural interest and for actions for the protection and dissemination of the Spanish Historical Heritage and the World Heritage

The loss of the right to deductions made in previous years for the aforementioned concepts may occur due to failure to comply with the requirement that the assets of the Spanish Historical Heritage remain in the assets of the purchaser for a period of four years.

See, within Chapter 16, when examining [this deduction](#) the period of permanence of these assets in the estate of their owner.

Deduction for works to improve the energy efficiency of homes

The loss of the right to these deductions may occur due to failure to comply with the required conditions. Among others, the following:

- When a subsidy is awarded and the amounts subsidized correspond to amounts that have formed part of the deduction base. In this case, the tax situation must be regularized so that the amounts corresponding to said subsidy are not included in the deduction base (with the maximum annual deduction base as a limit).
- When the works have been carried out in a dwelling expected to be rented and the requirement that the dwelling be rented before December 31, 2027 is not met.
- Having included in the deduction base amounts paid for work carried out on homes or parts thereof or properties excluded from the deduction.

Deduction for the purchase of plug-in electric and fuel cell vehicles

The loss of the right to this deduction may occur due to failure to comply with the requirements for consolidating it. Among others, the following:

- Not having acquired the vehicle before the end of the second tax period immediately following the one in which the amount on account corresponding to at least 25% of the acquisition value of the vehicle was paid.
- When, after its acquisition, the vehicle has been affected by an economic activity.
- When a subsidy is awarded and the amounts subsidized correspond to amounts that have formed part of the deduction base. In this case, once the final decision on its concession has been received, the tax situation must be regularised so that the amounts corresponding to said subsidy are not included in the deduction base (with the maximum annual deduction base as a limit).
- That the sale price of the vehicle purchased (before IVAABBR either IGIC) exceeds the maximum amounts established, where applicable, for each type of vehicle in Annex III of Royal Decree 266/2021, of April 13, which approves the direct granting of aid to the autonomous communities and the cities of Ceuta and Melilla for the execution of incentive programs linked to electric mobility (MOVES III) within the framework of the European Recovery, Transformation and Resilience Plan, calculated in the terms established in said regulation.

Deduction for the installation of charging infrastructure

The loss of the right to this deduction may occur due to failure to comply with the requirements for consolidating it. Among others, the following:

- When a deduction has been made without deducting a subsidy from the deduction base because the granting of the subsidy is pending a final resolution, and the subsidy has finally been granted, the tax situation must be regularized so that the amounts corresponding to said subsidy are not included in the deduction base (with the maximum annual deduction base as a limit). Unlike the deduction for the purchase of new electric vehicles, the taxpayer must not deduct the amount of the subsidy from the deduction base until he or she receives a final decision on the granting of the aid requested.
- When, after the installation of the charging point, the battery charging systems referred to in Additional Provision Fifty-eighth of the Personal Income Tax Law have been affected by the economic activity.
- Not having the authorizations and permits established in current legislation for the installation of charging points.

Calculation of late payment interest

Regulations: Art. 26 LGT

General issues

When the deductions to be regularized in the declaration corresponding to the current fiscal year have been made in declarations of different fiscal years, the late payment interest must be determined separately with respect to the amounts deducted in each declaration, subsequently transferring the sum to the corresponding box of those reflected in the declaration with the numbers **[0573], [0576], [0578] and [0581]** .

- If the returns in which the aforementioned deductions were made resulted in a payment due, the late payment interest corresponding to the amounts deducted in each of them will be determined based on the time elapsed between the due date of the declaration period for the year in question and the date on which the declaration for the 2025 year is submitted.
- If, as a result of the declaration in which the deductions that are now being refunded were made, a refund was obtained, the delay period will be calculated from the day after the date on which it was received until the date of filing the declaration for the 2025 tax year.

Table of due dates for filing deadlines and current late payment interest rates

For the purposes of calculating late payment interest, the due dates for filing positive returns for the last years prior to 2025 and the default interest rates in force in each of these years in accordance with the provisions of the respective General State Budget Laws are those shown in the following tables:

Deadline for submission of the declarations to be entered		Types of late payment interest in force in each of the years indicated	
Financial year	Date	Financial year	Current rate
1993	20-06-1994	1994	11.00
1994	20-06-1995	nineteen ninety five	11.00
nineteen ninety five	20-06-1996	1996	11.00
1996	20-06-1997	1997	9.50
1997	22-06-1998	1998	7.50
1998	21-06-1999	1999	5.50
1999	20-06-2000	2000	5.50
2000	20-06-2001	2001	6.50



Deadline for submission of the declarations to be entered		Types of late payment interest in force in each of the years indicated	
Financial year	Date	Financial year	Current rate
2001	01-07-2002	2002	5.50
2002	30-06-2003	2003	5.50
2003	01-07-2004	2004	4.75
2004	06-30-2005	2005	5.00
2005	06-30-2006	2006	5.00
2006	02-07-2007	2007	6.25
2007	06-30-2008	2008	7.00
2008	06-30-2009	2009 (up to 31 March)	7.00
2009	06-30-2010	2009 (from 1 April)	5.00
2010	06-30-2011	2010	5.00
2011	02-07-2012	2011	5.00
2012	01-07-2013	2012	5.00
2013	06-30-2014	2013	5.00
2014	06-30-2015	2014	5.00
2015	30-06-2016	2015	4,375
2016	06-30-2017	2016	3.75
2017	02-07-2018	2017	3.75
2018	01-07-2019	2018	3.75
2019	06-30-2020	2019	3.75
2020	06-30-2021	2020	3.75

Deadline for submission of the declarations to be entered		Types of late payment interest in force in each of the years indicated	
Financial year	Date	Financial year	Current rate
2021	06-30-2022	2021	3.75
2022	06-30-2023	2022	3.75
2023	01-07-2024	2023	4.0625
2024	06-30-2025	2024	4.0625
2025	30-06-2026	2025	4.0625
		2026	4.0625

Calculation rules

Interest will be calculated by applying to the amount of the undue deduction the default interest rate in force in each of the years between the due date of the declaration period of the year in which the undue deduction was made (or, where appropriate, from the day after the date on which the refund was obtained) and the date on which the declaration corresponding to the 2025 year is submitted.

The sum of the late payment interest corresponding to each of these years will determine the total amount of late payment interest corresponding to the undue deduction.

For these purposes, three periods can be distinguished when determining late payment interest:

• Initial period

It will include the number of days elapsed from the day after the end of the declaration period corresponding to the year in which the deduction that is now being restored was made (or, where applicable, from the day after the date on which the refund was obtained) and December 31 of said year.

The determination of the amount of late payment interest for this period can be carried out using the following calculation formula:

Interest on initial period delay = Deduction amount x (interest rate ÷ 100) x (period (number of days) ÷ 365 or 366)

The interest rate, expressed as a percentage of 100, will be the late payment interest rate in force in the fiscal year to which the initial period corresponds.

• Intermediate period

It will cover each of the full years following the initial period, up to December 31, 2025.

The determination of late payment interest corresponding to each of the calendar years included in this period can be carried out using the following formula:

Interest on arrears for each year = Deduction amount x (interest rate ÷ 100)

The interest rate, expressed as a percentage of 100, will be the late payment interest rate in effect in each of the years comprising this period.

However, since the same late payment interest rate (11%) was in force in 1994, 1995 and 1996, the interest corresponding to those years that form part of the interim period may be determined globally by multiplying the aforementioned late payment interest rate by the number of said years that make up the aforementioned period. This same rule may be applied in the years 1999 and 2000 for which the same rate of late payment interest was in force (5.5 percent); for the years 2002 and 2003 in which the same rate of late payment interest was in force (5.5 percent); for the years 2005 and 2006, in which the same late payment interest rate was in force (5%) and for the years 2008 and 2009 (until 31 March 2009), in which the late payment interest rate was 7%. From April 1, 2009 to December 31, 2014, the late payment interest rate is 5%. The late payment interest established for the year 2015 was 4.375 percent; for 2016, 2017, 2018, 2019, 2020, 2021 and 2022 it was 3.75 percent, and for the years 2023, 2024 and 2025 it was 4.0625 percent.

• Final period

It is the period between January 1, 2026 and the date of submission of the declaration for the 2025 fiscal year (June 30, 2026).

The determination of the interest corresponding to this period can be carried out using the following formula:

Late payment interest final period = Deduction amount x (4.0625 ÷ 100) x (T24 ÷ 365)

T24 represents the number of days of the delay period in the year 2026, that is, those that have elapsed between January 1 and the date of submission of the declaration for the year 2025.

Note: For 2026, the default interest rate of 4.0625 percent applies until the General State Budget Law for 2026 is approved and enters into force, which may establish a new interest rate.

Example: calculation of late payment interest for improper deductions

Mr. RIT subscribed to shares of the entity “ZZ, SL”, a newly created or recently established company that meets the requirements of Article 68.1 of the Law of IRPFABBR for the application of the deduction for investment in newly created or recently established companies.

The contributions to the share capital were made in March 2022, April 2023 and May 2024, benefiting in each of them from the corresponding deduction.

In January 2025, Don RIT transfers all of the shares, failing to meet the minimum holding period required in its assets and therefore losing the right to the deductions made.

As a result, you will need to regularize your tax situation.

The amounts invested and the deductions made were:

Year	Amounts invested	Maximum applicable base	Deductions made
2022	70,000 euros	60,000 euros	18,000 euros (30%)
2023	120,000 euros	100,000 euros	50,000 euros (50%)
2024	110,000 euros	100,000 euros	50,000 euros (50%)

By what amount should the state and regional net tax liability of the 2025 declaration be increased, if said declaration is filed and paid on June 30, 2026, and the declarations for the 2022, 2023, and 2024 tax years were positive?

Solution:

Previous note: Please note that, effective from 1 January 2023, the maximum base for this deduction was increased from 60,000 to 100,000 euros per year, and the percentage of deduction of the amounts paid was increased from 30 to 50 percent by Final Provision 3.4 of Law 28/2022, of 21 December.

1. Amount of undue deductions

The taxpayer has failed to meet the requirement to maintain the investment for a period of more than three years (and less than twelve).

Therefore, the amount of the deductions that must be reimbursed is:

- Deduction made in the 2022 declaration: 18,000
- Deduction made in the 2023 declaration: 50,000
- Deduction taken in the 2024 tax return: 50,000
- **Total 118,000**

The sum of the amounts of the deductions improperly made in the 2022, 2023 and 2024 tax returns (118,000 euros) will increase the state net tax liability.

To these amounts the corresponding late payment interest must be added, calculated separately for the amounts deducted in each of the financial years.

2. Amount of late payment interest

Warning : *pFor the calculation of the late payment interest for the period from 01-01-26 to 30-06-26, the rate of 4.0625 percent has been applied, which is the late payment interest rate that will be in force until the General State Budget Law for 2026 is approved and comes into effect, which as of the closing date of this Manual has not yet occurred.*

2.1 Late payment interest corresponding to the undue deduction of 2022 (18,000 euros)

a. Initial period : from 01-07-23 to 31-12-23 (184 days)

It is the period between the day after the due date of the declaration deadline for the 2022 fiscal year, which was June 30, 2023, and December 31, 2023. The default interest rate in force in 2023 was 4.0625 percent. Therefore:

- Late payment interest for the year 2023: $[(18,000 \times 4.0625 \div 100) \times 184 \div 365] = 369.26$

b. Intermediate period: from 01-01-24 to 31-12-25 (731 days)

It is the period between January 1, 2024 and December 31, 2025. The default interest rate in force in 2024 and 2025 was 4.0625 percent. Therefore:

- Late payment interest for the year 2024: $[(18,000 \times 4.0625 \div 100)] = 731.25$
- Late payment interest rates for the year 2025: $[(18,000 \times 4.0625 \div 100)] = 731.25$

c. Final period: from 01-01-26 to 30-06-26 (181 days)

It is the period between January 1, 2026 and the date of filing the personal income tax return for the 2025 tax year, in this case, June 30, 2026. The default interest rate in force in 2026, until the State Budget Law for 2026 is approved, which may establish a new interest rate, is 4.0625 percent.

- Late payment interest: $(18,000 \times 4.0625 \div 100) \times 181 \div 365 = 363.64$

d. Total late payment interest corresponding to the deduction for the year 2022

Total late payment interest: $369.26 + 731.25 + 731.25 + 363.64 = 2,195.40$ euros

2.2 Late payment interest corresponding to the undue deduction of 2023 (50,000 euros)

a. Initial period : from 02-07-24 to 31-12-24 (183 days)

It is the period between the day following the due date of the 2023 tax return deadline, which was July 1, 2024, and December 31, 2024. The default interest rate in effect in 2024 was 4.0625 percent. Therefore:

- Late payment interest for the year 2024: $[(50,000 \times 4.0625 \div 100) \times 183 \div 366] = 1,015.14$

b. Intermediate period: from 01-01-25 to 30-12-25 (365 days)

It is the period between January 1, 2025 and December 31, 2025. The default interest rate in force in 2025 was 4.0625 percent. Therefore:

- Late payment interest rates for the year 2025: $[(50,000 \times 4.0625 \div 100)] = 2,031.25$

c. Final period: from 01-01-26 to 31-06-26 (181 days)

It is the period between January 1, 2026 and the date of filing the personal income tax return for the 2025 tax year, in this case, June 30, 2026. The default interest rate in force during this period, until the State Budget Law for 2026 is approved, which may establish a new interest rate, is 4.0625 percent.

Late payment interest: $[(50,000 \times 4.0625 \div 100) \times 181 \div 365] = 1,010.10$

c. Total late payment interest corresponding to the deduction for the 2023 financial year

Total late payment interest: $1015.14 + 2,031.25 + 1,010.10 = 4,056.49$ euros

2.3 Late payment interest corresponding to the undue deduction of 2024 (50,000 euros)

a. Initial period: from 01-07-25 to 31-12-25 (184 days)

It is the period between the day after the due date for the declaration of the 2024 fiscal year, which was June 30, 2025, and December 31, 2025. The default interest rate in force in 2025 was 4.0625 percent. Therefore:

- Late payment interest for the year 2024: $[(50,000 \times 4.0625 \div 100) \times 184 \div 365] = 1,023.97$

b. Final period: from 01-01-26 to 31-06-26 (181 days)

It is the period between January 1, 2026 and the date of filing the personal income tax return for the 2025 tax year, in this case, June 30, 2026. The default interest rate in force during this period, until the State Budget Law for 2026 is approved, which may establish a new interest rate, is 4.0625 percent.

Late payment interest: $[(50,000 \times 4.0625 \div 100) \times 181 \div 365] = 1,010.10$

c. Total late payment interest corresponding to the deduction for the 2024 tax year

Total late payment interest: $1,023.97 + 1,010.10 = 2,034.07$ euros

2.4 Late payment interest to be included in the 2025 tax return

- Corresponding to the undue deduction for 2022: 2,195.40
- Corresponding to the undue deduction of 2023: 4,056.49
- Corresponding to the improper deduction of 2024: 2,034.07
- **Total interest: 8,285.96**

The late payment interest corresponding to the years 2022, 2023 and 2024 will increase the state net tax liability by 8,285.96 euros.

Note to example: Remember that this deduction is exclusively state-funded and, therefore, only the state net tax liability is increased.

Deductions from the total liquid contribution

Deduction for international double taxation, due to income obtained and taxed abroad

Regulations: Art. 80 Law IRPFABBR

Purpose and general regime of the deduction

Object of the deduction

The purpose of this deduction is to prevent income obtained abroad by taxpayers from IRPFABBR is subject to this tax in Spain and also to a tax of a similar nature abroad.

General deduction regime

In cases where the taxpayer's income includes income or capital gains obtained and taxed abroad, the lower of the following two amounts will be deducted: ##

- The actual amount paid abroad** due to a tax of an identical or similar nature to IRPFABBR or to Non-Resident Income Tax as a result of obtaining such income or capital gains.
- The result of applying **the average effective tax rate to the portion of the taxable base taxed abroad**.

For these purposes, the average effective tax rate will be the result of multiplying by 100 the quotient obtained by dividing the total net tax by the taxable base. To this end, the type of tax applicable to general income and savings income must be differentiated, as appropriate. The tax rate thus determined will be expressed to two decimal places.

For the application of the deduction for international double taxation to income obtained abroad that forms part of the taxable savings base, the average effective rate (EER) corresponding to the taxable savings base (without any decomposition of this base) will be applied to the part of the taxable savings base obtained abroad, differentiating, in relation to the latter, depending on whether the income obtained abroad is a return or a capital gain.

Instead, the average effective rate (EER) corresponding to the general taxable base will be applied to the part of the general taxable base obtained abroad without breaking down the latter between income and profits.

Note: When income is obtained abroad or through a permanent establishment, the deduction for international double taxation mentioned above will be applied, without the application of the double taxation elimination procedure provided for in article 22 of the LIS .

Regarding the LIS see Law 27/2014, of November 27, on Corporate Tax.

Example: Deduction due to international double taxation

The following figures appear in the 2025 income tax return of Mr. ABT, 30 years old, single and resident in Malaga:

- General tax base: 36,000
- Taxable base for savings: 12,000

Within the general taxable base, whose components are all positive, there are 6,000 euros obtained abroad, the taxpayer having paid in the country of obtaining a tax of a similar nature to IRPFABBR the amount of 1,100 euros.

Similarly, the taxable base for savings, whose components are all positive, includes net income from movable capital amounting to 6,000 euros and a capital gain derived from the transfer of an asset amounting to 6,000 euros, for which a tax similar to the one paid abroad has been levied. IRPFABBR the amount of 1,080 euros.

Determine the applicable deduction for international double taxation in the tax return IRPFABBR, exercise 2025, assuming that there is no international double taxation agreement between Spain and the country of obtaining the income and that the taxpayer is entitled to a reduction of the general taxable base of 4,800 euros and general deductions of the tax amounting to 1,500 euros.

Solution :

General tax base : 36,000

Reductions in the general tax base : 4.800

taxable base : 31,200

Taxable savings base and taxable savings base : 12,000

1. Application of tax scales to the general taxable base (31,200)

General tax scale

Up to 20,200 = 2,112.75

Other: 11,000 at 15% = 1,650

Resulting 1st rate: 3,762.75

Autonomous tax scale

Up to 21,100: 2.207

Other: 10,100 at 15% = 1,515

Resulting quota 2: $(2.207 + 1.515) = 3.722$

2. Application of the tax scales to the general taxable base corresponding to the personal and family minimum

Since the amount of the general taxable base (31,200) is higher than that of the personal and family minimum (5,550), it forms part of the general taxable base in its entirety.

Overall scale : 5,550 at 9.50% = 527.25

Resulting quota 3: 527.25

Autonomous scale 5,550 at 9.50% = 527.25

Resulting 4th rate: 527.25

3. Determination of the general, state and regional integral quota.

Full state general fee (Fee 1 - Fee 3): $3,762.75 - 527.25 = 3,235.50$

Full regional general quota (Quota 2 - Quota 4): $3,722 - 527.25 = 3,194.75$

4. Tax on the taxable savings base (12,000)**State lien**

Up to 6,000 at 9.5% = 570

Remaining 6,000 x 10.5% = 630

Addition: 1,200

Autonomous tax

Up to 6,000 at 9.5% = 570

Remaining 6,000 x 10.5% = 630

Addition: 1,200

5. Determination of full quotas

Total total share $(3,235.50 + 3,194.75) = 6,430.25$

Total savings quota $(1,200 + 1,200) = 2,400$

Total gross share $(6,430.25 + 2,400) = 8,830.25$

6. Determination of the net share

Deductions: 1,500.00

Total net share $(8,830.25 - 1,500) = 7,330.25$

7. Deductions from the total liquid contribution

Deduction for international double taxation (the lesser of A or B)

A. Cash amount paid abroad

By performance: 1,100

For capital gain: 1,080

B. Result of applying the average effective tax rate, general and savings, to the portion of the taxable base, general and savings, taxed abroad .

B.1. Average effective general tax rate

The general tax rate is determined by the following operation: $\text{Total net share} \times (\text{general net share} / \text{total net share}) \div \text{General taxable base}$

$$[7,330.25 \times (6,430.25 \div 8,830.25)] \div 31,200 \times 100 = 17.10\%$$

B.2. Savings tax rate:

The savings tax rate is determined by the following operation: $\text{Total net share} \times (\text{total savings share} / \text{total net share}) \div \text{Taxable savings base}$

$$[7,330.25 \times (2,400 \div 8,830.25)] \div 12,000 \times 100 = 16.60\%$$

B.3. Part of general taxable base taxed abroad

The portion of the general taxable base taxed abroad is determined by applying the reduction that proportionally corresponds to the income obtained abroad and integrated into the taxable base. This operation can be represented by the following formula:

$\text{General taxable base} \times \text{income obtained abroad}) \div \text{Positive components of the general tax base}$

$$(31,200 \times 6,000) \div 36,000 = 5,200$$

B.4. Part of the taxable savings base taxed abroad: 6,000

Note: Since in the present example all the components of the savings taxable base are positive, the part of the savings taxable base taxed abroad coincides with the amount obtained abroad, as no reduction is applicable to the savings taxable base, since the personal allowance is entirely part of the general taxable base and no reduction has been applied to it.

B.5. Tax borne in Spain

- Part of the general taxable base ($5,200 \times 17.10\%$) = 889.20
- Part of the taxable savings base ($6,000 \times 16.60\%$) = 996

Amount of the deduction for international double taxation (the lesser of A or B)

For returns (889.20) + For capital gains (996) = 1,885.20

Deduction for obtaining income from work

Regulations: Sixty-first Additional Provision of the Personal Income Tax Law

New in 2025: From 1 January 2025, taxpayers who obtain gross employment income of less than 18,276 euros may apply the following deduction provided they meet the other required conditions.

Subjective scope

Taxpayers whose total employment income is less than 18,276 euros may apply this deduction to the total net tax liability, reduced, where applicable, by the deduction for international double taxation, due to income obtained and taxed abroad, provided they meet the following requirements:

- who obtain total income from work, derived from the effective provision of services corresponding to an employment or statutory relationship, of less than 18,276 euros, and
- that do not have income, excluding exempt income, other than the aforementioned employment income, exceeding 6,500 euros.

Amount

Amount of the deduction for taxpayers with gross employment income, excluding exempt income, of less than 18,276 euros

Total returns on work	Amount of deduction
Less than 16,576 euros per year	340 euros per year
Between 16,576 euros and 18,276 euros per year	$340 - [0.2 \times (\text{RIT}^* - 16,576 \text{ annual})]$

*RIT: Full earnings from work.

Maximum deduction limit

The amount of this deduction may not exceed the portion of the sum of the total state and regional contributions. **that corresponds proportionally to said net earnings from work** (up to 18,276 euros) computed for the determination of the taxable bases.

Examples. Deduction for obtaining income from work

Example 1: employed worker with no other income

Ms. LMP, resident in the Autonomous Community of Madrid, works as an administrative assistant in a company in the service sector, for which she obtained in 2025 a total income from work of 16,500 euros, derived from her work. During that year, she also received a tax-exempt childbirth allowance. Social Security contributions paid for his work activity amounted to 1,200 euros. The total amount resulting from your declaration was 187.19 euros, corresponding entirely to the aforementioned employment income, as there were no other incomes that make up the general taxable base.

Determine the amount of the deduction for obtaining income from work that you would be entitled to apply according to the data provided.

Solution:

Ms. LMP will be entitled to apply the new deduction as she has obtained gross employment income of less than 18,276 euros derived from her work activity, without any other type of income.

The childbirth allowance has no impact as it is exempt from IRPFABBR.

Deduction amount:

Having obtained gross employment income derived from the effective provision of services corresponding to an employment relationship of less than 16,576 euros, the maximum amount of the deduction applies: 340 euros.

Maximum applicable limit:

The amount of the deduction may not exceed the part of the sum of the full state and regional contributions that corresponds proportionally to said net employment income computed to determine the general taxable base.

Since there is no other income in this case, the net earnings from work represent 100 percent of the general taxable base, so the limit will be 187.19 euros, which corresponds to the total full tax liability.

Example 2: worker who retires in 2025 with a pension (and other income) exceeding 6,500 euros

Mr. JRM worked in 2025 as a full-time maintenance manager at an industrial company until March, when he retired permanently, ceasing to provide his services.

During the year 2025 it only obtained:

- Total earnings from employment derived from your work activity up to March: 6,000 euros. Social Security Contributions: 500 euros.
- Contributory retirement pension from April to December 2025: 12,000 euros.
- Account interest: 150 euros.

Determine the amount of the deduction for obtaining income from work that you would be entitled to apply according to the data provided.

Solution:

In accordance with the sixty-first Additional Provision of the Law of IRPFABBR Taxpayers will be entitled to the deduction provided they do not have income, excluding exempt income, other than the aforementioned employment income (i.e., employment income derived from the effective provision of services corresponding to an employment or statutory relationship) exceeding 6,500 euros.

In this case, although the total employment income derived from the effective provision of services corresponding to an employment or statutory relationship (€6,000) is less than €18,276, Mr. JRM is not entitled to the deduction for employment income, since he has received income other than that which generates the right to the deduction (pension and interest) for a total of €12,150, which exceeds the limit of €6,500 established by the Sixty-First Additional Provision of the Law of IRPFABBR.

Example 3: worker with a pension of less than 6,500 euros

Ms. CRM, a resident of the Community of Madrid, worked as a nursing assistant in a health center until August 2025, when she turned 65, at which point she accessed ordinary retirement. During that year he received the following income:

- Total earnings from employment derived from your employment relationship up to August: 17,500 euros. Social Security Contributions: 595 euros.
- Contributory retirement pension (September-December): 3,800 euros.
- Retention: 1,350.15 euros.

Determine the amount of the deduction for obtaining income from work that you would be entitled to apply according to the data provided.

Solution:

Ms. CRM will be entitled to the deduction because she has obtained gross income from work derived from the effective provision of services corresponding to an employment or statutory relationship of less than 18,276 euros and does not exceed the limit of 6,500 euros established for income other than that which generates the right to the deduction (pension of 3,800 euros).

Deduction amount:

Since the total amount of employment income is between 16,576 and 18,276 euros, the amount of the deduction will be the result of:

$$340 - [0.2 \times (17,500 - 16,576)] = 155.20 \text{ euros.}$$

Deduction limit:

Note that to determine the part of the sum of the full state and regional tax liability that corresponds to these net earnings, these full earnings must be taken into account, reduced exclusively by those deductible expenses linked to them.

Deduction for international double taxation in the cases of application of the international tax transparency regime

Regulations: Art. 91.10 Law IRPFABBR

In cases where the [imputation of income is applicable under the international tax transparency regime](#), the tax or levy actually paid abroad due to the distribution of dividends or profit shares will be deductible under this concept, whether in accordance with an agreement to avoid double taxation or in accordance with the internal legislation of the country or territory in question, in the part that corresponds to the positive income included in the tax base.

This deduction will be applied even when the taxes correspond to tax periods other than the one in which the inclusion was made.

The deduction may not exceed the full amount that would be payable in Spain for the positive income imputed in the tax base.

Note: Under no circumstances may taxes paid in countries or territories classified as non-cooperative jurisdictions be deducted.

For these purposes, it should be noted that the first Additional Provision of Law 36/2006, of November 29, on measures for the prevention of tax fraud (BOE of November 30), after the modification introduced by the sixteenth article of Law 11/2021, of July 9, on measures for the prevention and fight against tax fraud (BOE of July 10), contains the definition of countries and territories that are considered non-cooperative jurisdictions, which replaces that of tax havens, countries or territories with which there is no effective exchange of information, or with no or low taxation.

In this regard, please note that with entry into force on February 11, 2023, the Order was published HFP/115/2023, of February 9, which determines the countries and territories, as well as the harmful tax regimes, that are considered non-cooperative jurisdictions (BOE of February 10), which updates the list of countries and territories included in Royal Decree 1080/1991, of July 5, although in IRPFABBR It was not applicable until the 2024 tax period, and has been generally applicable since then.

Deduction for double taxation in cases of income imputation for the transfer of image rights

Regulations: Art. 92.4 Law IRPFABBR

In the cases of [imputation of income from the transfer of image rights](#), the taxes that can be deducted for this concept by declarants who have included the income derived from said transfer are the following:

- a. The personal tax paid, in Spain or abroad, by the person or entity that is the first transferee of the image rights in the part that corresponds to the portion of the net income derived from the amount that has been included in the current fiscal year.
- b. The tax or levy actually paid abroad for the distribution of dividends or shares in profits distributed by the first transferee, whether in accordance with an agreement to avoid double taxation or in accordance with the internal legislation of the country or territory in question, in the part that corresponds to the amount included in its tax base by the declarant.
- c. The personal tax of a nature similar to the income tax paid by the natural person who owns the image abroad or in Spain as a taxpayer of the Non-Resident Income Tax that corresponds to the consideration obtained as a result of the first transfer of the image rights to the assignee.

These deductions will be applied even when the taxes correspond to tax periods other than the one in which the inclusion was made.

Note: Under no circumstances may taxes paid in countries or territories classified as non-cooperative jurisdictions be deducted.

For these purposes, it should be noted that the first Additional Provision of Law 36/2006, of November 29, on measures for the prevention of tax fraud (BOE of November 30), after the modification introduced by the sixteenth article of Law 11/2021, of July 9, on measures for the prevention and fight against tax fraud (BOE of July 10), contains the definition of countries and territories that are considered non-cooperative jurisdictions, which replaces that of tax havens, countries or territories with which there is no effective exchange of information, or with no or low taxation.

In this regard, please note that with entry into force on February 11, 2023, the Order was published HFP/115/2023, of February 9, which determines the countries and territories, as well as the harmful tax regimes, that are considered non-cooperative jurisdictions (BOE of February 10), which updates the list of countries and territories included in Royal Decree 1080/1991, of July 5, although in IRPFABBR It was not applicable until the 2024 tax period, and has been applicable since then.

Maximum limit

The amount of these deductions may not exceed, in total, the total amount payable in Spain for the imputation of income from the transfer of image rights included in the tax base.

Deductible withholdings corresponding to subsidized income

Regulations: Sixth transitional provision LIS

The benefits from the Capital Income Tax recognized to the concessionary companies of toll highways and the other entities referred to in the sixth transitional provision of the LIS , continue to be applied today in accordance with the rules of the Capital Income Tax.

Regarding the LIS see Law 27/2014, of November 27, on Corporate Tax.

Since the applicable tax rate on interest in the Capital Income Tax was 24% and the bonus granted amounted to 95%, the taxpayer receiving this type of income only bears an effective withholding of 1.2% ($24 \times 5\%$). However, the total amount of the bonus, which amounts to 22.8% ($24 \times 95\%$), is also deductible by applying the tax benefit that remains temporarily applicable. However, this last amount operates as a deduction from the quota without generating the right to a refund, since this right derives from the amounts actually withheld.

Consequently, in box **[0591]** of the declaration, the amount of the withholdings not actually made which, nevertheless, are considered tax deductible from the quota will be recorded, recording the withholdings actually borne in the box corresponding to them.

Share resulting from self-assessment

The tax liability resulting from the self-assessment is the result of applying to the total net tax liability or, where applicable, to the increased total net tax liability the deductions for international double taxation, for obtaining income from work (on the total net tax liability, once the deduction provided for in article 80 of the Law has been applied). IRPFABBR), for international double taxation in cases of application of the international tax transparency regime, for double taxation for the imputation of income for the transfer of image rights, as well as the reducible withholdings corresponding to subsidized income.

In accordance with the provisions of Article 103 of the Law of IRPFABBRThe excess of payments on account with respect to the installment resulting from the settlement will determine the refund derived from the regulations of IRPFABBR that, in each case, should be carried out.

Note: *The resulting fee from the self-assessment must be a positive amount or zero.*

Due tax

Regulations: Article 79 of the Law IRPFABBR

The amount of the advance payments corresponding to the 2025 tax year will be deducted from the resulting self-assessment tax liability.(withholdings and payments on account, installment payments and, where applicable, the Non-Resident Income Tax quotas paid by taxpayers who have acquired such status due to a change of residence), obtaining the differential quota.

Withholdings and payment on account

Withholdings and payments on account may come from the following types of income:

- Income from work.
- Income from movable capital.

- For leasing of urban properties (whether or not it constitutes an economic activity).
- For income derived from economic activities (except urban property leases).
- By application of the special regime of income attribution.
- For charges against economic interest groups and temporary business associations.
- For imputations of income derived from the transfer of image rights.
- For capital gains, including prizes and subscription rights.

Persons and entities required to withhold or pay on account are obliged to issue, in favor of the taxpayer, a certificate attesting to the withholding made or the payments on account made, as well as the other data relating to the taxpayer that have been included in the corresponding annual summary of withholdings and payments on account of the IRPFABBR.

See in this regard the Resolution of the Tax Management Department of the AEAT of December 15, 1999 (BOE of December 22), as well as Resolution 3/2001, of October 22, of the aforementioned Tax Management Department of the AEAT (BOE of October 31).

The certification with the aforementioned requirements must be made available to the taxpayer prior to the opening of the declaration period of IRPFABBR (Article 108.3 Regulations) IRPFABBR).

Payments in instalments

Taxpayers who carry out economic activities will deduct the installment payments corresponding to the 2025 tax year, as shown in the forms 130 or 131 submitted.

Non-Resident Income Tax quotas paid by taxpayers who have acquired such status by change of residence

Individuals who in the 2025 tax year acquired the status of taxpayers of IRPFABBR Those who have become habitually resident in Spanish territory for the purposes of this tax may deduct the amount that they may have paid as non-resident income tax quotas, provided that these quotas accrued in the 2025 tax year.

The withholdings and payments on account of Non-Resident Income Tax that may have been made during the 2025 tax year will be considered as payments on account of the tax due to these taxpayers. IRPFABBR Therefore, the amount of these will be included among the withholdings and payments on account that correspond, taking into account the nature of the income on which they were made.

Withholding taxes actually made pursuant to Council Directive 2003/48/EC accrued before 1 January 2017

Regulations: Art. 99.11 Law IRPFABBR

They are considered as payments on account of IRPFABBR the withholdings on account actually made pursuant to the provisions of Article 11 of Directive 2003/48/EC of the Council, of 3 June 2003, on the taxation of savings income in the form of interest payments, accrued before 1 January 2017.

In this regard, it should be noted that Council Directive 2003/48 established a dual system of taxation of savings income: information sharing and retention at source.

This latter system was followed by Luxembourg and Austria at the date of adoption of the agreement by which the new Council Directive (EU) 2015/2060 of 10 November 2015 came into force. which repeals Council Directive 2003/48/ EC . These countries should be added to other non-EU countries such as the Swiss Confederation, the Principality of Liechtenstein, the Republic of San Marino, the Principality of Monaco, the Principality of Andorra with which agreements were signed establishing measures equivalent to those provided for in Directive 2003/48/ EC .

With the entry into force of the new directive, a single system for the exchange of information is established, for the adoption of which a transitional period was established for countries that used the withholding tax system (specifically, for Austria, within the European Union, and Switzerland, Liechtenstein, San Marino, Monaco and Andorra, outside the European Union). Period ending in 2017.

However, all agreements signed with countries outside the European Union include cases in which the previous system of withholding tax will still apply even though the new protocol has come into force. These assumptions are mainly linked to obligations pending before the entry into force of the information exchange system.

Tax return result

Introduction

The differential rate, as a general rule, constitutes the result of declaration . However, in those cases where the taxpayer is entitled to the maternity deduction established in Article 81 of the Law IRPFABBR or the deductions for large families or dependent persons with disabilities provided for in Article 81 bis of the Law of IRPFABBR The result of the declaration will be determined by the following operations:

(±) Differential rate

- (-) Deduction for maternity and increase for custody expenses in authorized nurseries or early childhood education centers
- (-) Deduction for dependent disabled descendants
- (-) Deduction for dependent disabled ascendants
- (-) Deduction for legally not separated spouse with dependent disability
- (-) Deduction for large families
- (-) Deduction for ascendant, legally separated or without a marital bond, with two children without the right to receive annual alimony
- (+) Amount of the advance payment of the Maternity Deduction

- (+) Amount of the advance payment of the "Deduction for dependent disabled descendants"
- (+) Amount of the advance payment of the "Deduction for dependent disabled ascendants"
- (+) Amount of the advance payment of the "Deduction for a legally non-separated spouse with a disability in his/her care"
- (+) Amount of the advance payment of the "Deduction for large families"
- (+) Amount of the advance payment of the "Deduction for ascendant, legally separated or without a marital bond, with two children without the right to receive annual alimony"
- (=) Result of the declaration (to be entered or returned)**

If the result of the declaration is a positive amount, do not forget to pay your amount, either the full amount or the first installment, within the period between April 8 and June 30, 2026 both inclusive.

If the result of the declaration is a negative amount, the taxpayer has the right to request a refund of the amount in his/her favor, a request that must be made in the income or refund document model 100.

The amount of the refund may not exceed the sum of the amount shown in box **[0609]** for payments on account plus the sum, if positive, of the difference between the amounts shown in boxes **[0611] and [0612] plus box [0613]** for the maternity deduction, the difference between boxes **[0623]** and **[0624]** for the deduction for dependent disabled descendants; from boxes **[0636] and [0637]** in the deduction for dependent ascendants with disabilities and, from boxes **[0248]** and **[0249]** in the deduction for a legally not separated spouse with a disability; of boxes **[0660]** and **[0661]** in the deduction for large families and, finally, of boxes **[0662]** and **[0663]** in the deduction for ascendants, legally separated or without a marital bond, with two children without the right to receive annual alimony.

Maternity deduction and additional increase for custodial expenses

The Tax Agency's electronic headquarters includes a "[Virtual Income Assistant](#)", where you can consult the requirements, limits, amounts, and payment methods for the maternity deduction and the additional increase for expenses at authorized daycare centers or early childhood education centers.

Regulations: Art. 81 and thirty-seventh transitional provision Law IRPFABBR; art. 60 Regulation IRPFABBR

Deduction for maternity

Beneficiaries and children who give the right to apply the deduction

Note: Article 64 of Law 31/2022, of December 23, on the General State Budget for the year 2023 (BOE of December 24), amended the Law of IRPFABBR to extend the application of the maternity deduction to women who find themselves in any of the following circumstances:

- a. who at the time of the birth of the minor receive contributory or assistance benefits from the unemployment protection system, or
- b. who are registered in the corresponding Social Security or mutual fund scheme at the time of the birth of the minor, or
- c. who at any time after the birth of the child are registered in the corresponding Social Security or mutual fund scheme with a minimum period of 30 days of contributions.

The requirement to be self-employed or employed to qualify for it has also been removed, as well as the limitation of the deduction amount to contributions accrued in the tax period.

*The new regime is applicable **from January 1, 2023** not only to children born during that year, 2023, but also to those born previously who have not reached the age of 3 years, when at the time of birth or at a later time any of the aforementioned circumstances occur.*

A. Beneficiaries of the deduction

Article 81 of the Law of IRPFABBR It regulates the maternity deduction that reduces the differential tax liability. IRPFABBR and the following people may apply:

1. Women with children under three years of age with the right to apply the [minimum for descendants](#) who meet any of the following requirements:

- a. That **at the time of birth** of the minor **receives contributory or assistance benefits** from the unemployment protection system.
- b. That they are registered in the corresponding Social Security or Mutual Fund regime:
 - at the time of birth of the minor or
 - at any time after birth with a minimum period of 30 days of contributions.

For the purposes of calculating the minimum period of 30 days of contributions, the days of contributions prior to birth, foster care or adoption will be taken into account, and it is necessary that registration in the corresponding Social Security or mutual insurance scheme takes place after birth, foster care or adoption.

Important: *when in the 2022 tax period there was entitlement to the maternity deduction and the supplementary aid for children provided for in Law 19/2021 in relation to the same child, **The maternity deduction may continue to be claimed from 1 January 2023, even if one of the parents is entitled to the aforementioned supplement with respect to said child, provided that the rest of the requirements are met.** required from 1 January 2023, which were previously referred to (transitional provision 37 of the Law of IRPFABBR).*

Therefore, both benefits will only be compatible for the same child if the child's right to receive the child support supplement in 2022 has been granted, upon request, provided that the remaining requirements established as of January 1, 2023, are met.

2. In the event of the mother's death or when custody is exclusively granted to the father or, where applicable, to a guardian, provided they meet the requirements set out in Article 81 of the Law of IRPFABBRAs previously mentioned, this person will be entitled to the pending deduction.

Therefore, in this case, the surviving parent or guardian with children under three years of age entitled to apply the minimum for descendants, who at the time of the birth of the minor receives contributory or assistance benefits from the unemployment protection system, or who at that time or at any time thereafter is registered with the corresponding Social Security or mutual fund scheme with a minimum period, in the latter case, of 30 days of contributions, will be entitled to the deduction for pending maternity, that is, the one corresponding to the time remaining until the child or ward reaches three years of age.

In the event that there are several taxpayers entitled to the maternity deduction for the same ward or foster child or minor under their care and custody for pre-adoption cohabitation or by court order , the amount must be divided equally between them.

Note: With the sole exception of the cases indicated in letter b) above, the maternity deduction corresponds entirely and exclusively to the mother, provided that she meets the requirements indicated to be entitled to it. Consequently, in no case other than those mentioned will the application of the deduction by the father be admissible, nor will the distribution or apportionment of the same between the father and the mother.

B. Children who entitle the application of the deduction

- **Natural children** , from the month of their birth until the month before they turn three years of age, both inclusive.
- **Adopted children and minors linked to the taxpayer by reason of guardianship or permanent foster care or delegation of guardianship** for pre-adoption cohabitation.

Remember : *may be applied from January 1, 2023 the deduction for children under 3 years of age who were **born before that date** provided that they entitle the person to apply the family minimum for descendants, and one of the requirements demanded by article 81 in its current wording is met.*

In cases of adoption or permanent foster care or delegation of guardianship for cohabitation , the deduction may be applied, regardless of the age of the minor, during the three years following the date of registration in the Civil Registry.

When registration is not necessary, the deduction may be applied during the three years following the date of the judicial or administrative resolution declaring it.

When the **adoption of a minor who has been in a permanent foster care regime, with delegation of guardianship for cohabitation** takes place or when a change occurs in the foster care situation, the deduction will be applied during the time remaining until the maximum period of three years previously mentioned is exhausted.

In cases of guardianship, the guardian will be entitled to the amount of the deduction corresponding to the time remaining until the ward reaches three years of age.

Note: *The deduction is not applicable in the case of grandchildren and other descendants by consanguinity other than children, nor in the case of simple, urgent or temporary foster care, nor in the case of minors for whom custody and guardianship is granted by court order.*

Amount and limit of the deduction

Amount of deduction

A. In general

- The amount of the deduction (which can be up to 1,200 euros) will be calculated in proportion to the number of months in the tax period following the moment in which the aforementioned requirements are met (both in relation to the beneficiaries and the children who give the right to the deduction) provided that, during said months, **neither of the parents receives, in relation to the child who grants the right, the child support supplement**, unless they had the right to it before January 1, 2023.

Therefore, 100 euros for each month.

Note: As of January 1, 2023, there will be NO entitlement to the maternity deduction in the months in which one of the parents receives the child support supplement provided for in Law 19/2021, of December 20, which establishes the minimum vital income, in relation to the same offspring.

However, if in the 2022 tax year the maternity deduction was claimed and the child support supplement was received in that year in relation to the same child, the maternity deduction may continue to be claimed in the 2025 tax year, provided that the rest of the established requirements are met. See in this regard the “transitional regime applicable to situations prior to 1 January 2023”, which is set out below.

- **Additional increase:** When you are entitled to a deduction in relation to that descendant because you registered with Social Security or a mutual fund after the birth of the minor, the deduction corresponding to the month in which the 30-day contribution period is completed will be increased by 150 euros, such that the amount of the deduction corresponding to that month will be 250 euros (100 euros per month + additional increase of 150 euros only in this case).

Clarifications:

- The determination of the children will be made according to their situation on the last day of each month. Consequently, in the case of natural-born children, the month of birth will be counted in full, without taking into account the month in which the child turns three years of age.
- For the purposes of calculating the deduction, the month corresponding to the time of birth or the month in which the requirements for entitlement to the deduction are subsequently met will be computed.

B. Transitional regime applicable to situations prior to January 1, 2023

Where in the 2022 tax period you were entitled to the maternity deduction and the child aid supplement provided for in Law 19/2021 in relation to the same descendant, **the maternity deduction may continue to be applied as of January 1, 2023, even if one of the parents was entitled to the aforementioned supplement in respect of said descendant, provided that the rest of the requirements** required as of January 1, 2023, referred to above, are met.

Deduction limit

The amount of the maternity deduction for each child that grants the right to it **may not exceed 1,200 euros per year, except in the event that the increase of 150 euros is applicable, in which case, said limit is raised in said year to 1,350 euros per year.**

Advance payment of the maternity deduction

Note: Please note that only the advance payment of the amount corresponding to the maternity deduction may be requested, without including the additional increase for childcare expenses in authorized nurseries or early childhood education centers, which is examined in the following section.

taxpayers entitled to apply the maternity deduction can request advance payment from the State Tax Administration Agency.

The deduction will be paid in advance by bank transfer by the State Tax Administration Agency on a monthly basis and without prorating for an amount of 100 euros for each child.

The request for advance payment of the deduction must comply with form 140 approved by Order HAC /177/2020, dated February 27.

Note: As of January 1, 2023, the request for advance payment of the maternity deduction no longer requires a minimum contribution period.

Additional increase for custody expenses in authorized daycare centers or early childhood education centers

The amount of the maternity deduction may be increased by up to an additional 1,000 euros when the taxpayer entitled to it has paid childcare expenses for a child under three years of age in authorized nurseries or early childhood education centers during the tax period.

Important : Unlike the general maternity deduction, taxpayers entitled to the additional increase for childcare expenses cannot request advance payment from the State Tax Administration Agency; instead, they must request the corresponding increase directly in their tax return. IRPFABBR.

Requirements and conditions to apply the additional increase

In order for the maternity deduction to be increased by up to an additional 1,000 euros, the following requirements must be met:

1. The previously mentioned requirements must be met for **beneficiaries and children who are entitled to the maternity deduction**.

Please note that the increase in expenses for authorized daycare centers or early childhood education centers corresponds to the mother, both for the amount paid by her and the amount paid by the other parent, regardless of whether she has sole or shared custody.

2. In addition, it is necessary that the taxpayer has paid in tax period **the custody expenses of the child under three years of age**.

CUSTODY EXPENSES are considered to be the amounts paid by the taxpayer that meet **following conditions**

a. That they be satisfied to authorized daycare centers or early childhood education centers.

Supreme Court Judgment No. 7/2024, of January 8 (Contentious Chamber), issued in cassation appeal No. 4995/2022 (ROJ : STS 41/2024) has established as case law that the expression "authorized nurseries or early childhood education centers" must be understood in the sense that the authorization required by the aforementioned precept to nurseries or early childhood education centers is not the one granted by the corresponding educational Administration, which will only be required for early childhood education centers, but the one that is necessary for the opening and operation of the activity of custody of minors in nurseries, according to the regulatory provisions applicable to this type of centers. Similarly, the recent judgment no. 731/2025, of June 10, issued in the appeal on points of law no. 4687/2023 (RED: STS 2608/2025).

b. That the following **concepts** be paid:

- pre-registration and registration of children under 3 years of age,
- assistance, during general and extended hours, and
- feeding.

c. That your payment corresponds to expenses that have occurred for **full months**.

d. That **are not considered exempt income in kind for the taxpayer** by application of the provisions of article 42.3. b) or d) of the Law of IRPFABBR That is, by:

- The direct or indirect contracting by companies or employers of the first cycle of early childhood education service for the children of their workers in nurseries or authorized early childhood education centers [Art, 42.3.b) Law IRPFABBR].
- The provision of preschool, infant, primary, compulsory secondary, high school and vocational training services by authorized educational centers to the children of their employees, free of charge or at a price lower than the normal market price [Art. 42.3.d) Law IRPFABBR].

Specialty: application of the increase until the child begins the second cycle of early childhood education

In the tax period in which the youngest child turns three years old, the increase may be applied to expenses incurred after reaching that age until the month prior to the month in which the second cycle of early childhood education may begin.

For these purposes, it should be noted that if the child turns three in January or if the mother starts working in the year in which the child turns that age, but after having turned that age, the maternity deduction cannot be applied, although this will not prevent the increase in nursery or early childhood education centre expenses authorized for expenses incurred up to the month prior to the month in which the second cycle of early childhood education can begin.

Obligation to provide information by authorized nurseries or early childhood education centers :

With entry into force on April 3, 2025, Royal Decree 253/2025, of April 1, has modified article 69.9 of the Regulation of IRPFABBR, in accordance with the provisions of section 5 of the aforementioned article 81 of the Personal Income Tax Law, which establishes for authorized nurseries or early childhood education centers the obligation to submit an information return on minors and expenses that entitle the taxpayer to the increased deduction. Thus, after the aforementioned modification, the nurseries or early childhood education centers authorized under Article 81.2 of the Personal Income Tax Law are obliged to submit the aforementioned information declaration, and in it they must communicate data on the center's authorization issued by the competent educational administration or, where applicable, the one that is necessary for the opening and operation of the childcare activity in nurseries according to the regulatory provisions applicable to this type of center.

It should be recalled that Judgment No. 8/2024 of the Administrative Chamber of the Supreme Court established as case law that "the expression 'authorized nurseries or early childhood education centers' contained in Article 81.2, paragraph 1, of the Personal Income Tax Law, which conditions the applicability of the increase in the amount of the maternity deduction, must be understood to mean that the authorization required by the aforementioned provision for nurseries or early childhood education centers is not that granted by the corresponding educational administration, which will only be required of early childhood education centers, but rather that which is necessary for the opening and operation of childcare activities in nurseries, according to the regulations applicable to this type of center."

Therefore, and to comply with the aforementioned obligation, a new field has been introduced in record type 2 of model 233 "Informative declaration for expenses in nurseries or authorized early childhood education centers" approved by Order HAC/1400/2018, of December 21, which will be applicable, for the first time, for the presentation of informative declarations for expenses in nurseries or authorized early childhood education centers corresponding to the 2025 financial year to be presented in 2026.

Amount of additional increase

- The increase in the deduction may be from **to 83.33 euros for each month** of tax period **in** in which the previously mentioned requirements regarding beneficiaries, children who entitle them to the deduction and custody expenses are met simultaneously.

- For the purposes of calculating the number of months for calculating the increase, the following **rules** will be taken into account:
 1. The determination of the children will be made according to their **situation on the last day of each** month.

Note: *However, in the tax period in which the youngest child turns three years old, the number of months of said year will be extended, if the rest of the requirements are met, to the months after reaching said age until the month before that. in which the second cycle of early childhood education can begin.*

 2. For the purposes of calculating the increase for custody expenses in authorized daycare centers or early childhood education centers, the month corresponding to the moment in which the requirements indicated above are met will be computed.
 3. The months to be taken into consideration will be exclusively those in which the expenses paid are made **per full month**.

For these purposes, months contracted in full will be deemed to be included even when part of them are non-teaching months.

- In the event that there are several taxpayers entitled to the application of the increase in respect of the same foster or protected person, **its amount will be prorated among them in equal parts**.

Limits on deduction

The increase in the deduction for each child that grants the right to the same **may not exceed** for each child **none** of the two limits indicated below:

- **1,000 euros per year.**
- **The total annual amount of the actual non-subsidized expenditure** paid in said period to the daycare or educational center in relation to that child, whether or not for full months.

For the purposes of determining the total amount of the actual non-subsidized expenditure paid, both the amount paid by the mother or the taxpayer entitled to the aforementioned increase, as well as the amount paid by the other parent, adopter, guardian, custodian for adoption purposes or foster parent will be considered.

Application of the deduction in the personal income tax return

The maternity deduction reduces the differential quota, regardless of whether said differential quota is positive or negative.

Consequently, the amount of the deduction must be stated in the declaration for the year in the section corresponding to "Differential rate and result of the declaration", box **[0611]** of the declaration.

Taxpayers who, having requested it at the time, have received monthly payments from the Tax Agency as an advance payment of the maternity deduction, must enter the information in the box **[0612]** from the declaration the sum of said amounts that correspond to the year 2025.

Note: Late payment interest will not be payable for the receipt, through advance payment and for reasons not attributable to the taxpayer, of amounts greater than the corresponding maternity deduction.

Finally, those taxpayers entitled to the increase in the deduction for expenses in authorized nurseries or early childhood education centers must indicate the corresponding amount in box **[0613]** of the declaration.

Example. Maternity deduction and increase for childcare expenses

Mrs. MDO had twins in January 2025. In addition, he has a son born on September 2, 2022, who has been enrolled during the year except for the month of August in an authorized private early childhood education center in the Community of Madrid.

The expenses paid for the services provided by this center are as follows:

- 300 euros for registration.
- 500 euros/month (amount corresponding to each of the full months from January to June, both inclusive)
- 250 euros (amount corresponding to 15 days in July).

In relation to this amount, a grant was requested and obtained for the 2025 fiscal year from the Autonomous Community in the form of a nursery voucher, which amounted to 700 euros, an amount that was paid directly to the early childhood education center by the Ministry of Education.

In addition, the other parent has been paid by the company where he works, in the form of assistance for the early childhood education centre, a total of 80 euros per month for each month in which he has proven his son's attendance at said centre, a remuneration in kind exempt from the worker's allowance.

The remaining expenses were paid 50% by each parent.

Determine in the following cases the amount of the maternity deduction and the additional increase for childcare expenses corresponding to the 2025 tax year and calculate the result of your tax return, knowing that the differential tax liability amounts to 1,500 euros and that the taxpayer has not requested the advance payment of the maternity deduction.

Case a) Registration with Social Security after birth and 30 days of contributions in the month of May

Ms. MDO was not registered with Social Security or any mutual insurance company at the time of the birth of her twins, but in April she was hired by the company TT and registered with Social Security, fulfilling the requirement of having a minimum period of 30 days of contributions until May 20, 2025 and the total amount of annual contributions amounts to 475 euros.

The taxpayer had not worked prior to this date.

Solution:

1. Maternity deduction amount

Deduction corresponding to each of the twins:

- Number of months of compliance with requirements: 8 months
- Deduction amount: $[(8 \text{ months} \times 100 \text{ euros}) + (1 \text{ month} \times 150)] = 950$
- Deduction limit per child (1,350 euros).
- Total amount of the deduction for twins = $950 \times 2 = \mathbf{1,900}$

Note: In this case, the taxpayer, after the birth of the twins, has become registered with Social Security after the birth, reaching the 30 days of contributions required by article 81 of the Personal Income Tax Law in May, so she is entitled to 100 euros for each month from that moment on (including May) plus the increase of 150 euros corresponding to the month in which she reaches said minimum period.

Therefore, Ms. MDO will be entitled to a deduction for a total amount of 1,900 euros (950 euros for each twin, taking into account 8 months - from May to December - plus the increase of 150 euros corresponding to the month of May, when the minimum contribution period is reached).

Contributions have not been taken into account to determine the deductible amount because as of January 1, 2023, this limitation on the amount of the deduction for contributions accrued in the tax period disappears.

Deduction for the eldest son:

- Number of months of compliance with requirements: 4 months
- Deduction amount $[(4 \text{ months} \times 100 \text{ euros}) + (1 \text{ month} \times 150)] = \mathbf{550}$
- Limit on deduction per child (1,350 euros)

Note: Since Ms. MDO did not work prior to May 2025, she was never entitled to the maternity deduction for her eldest child. However, as the circumstances that give rise to this right have been expanded from January 1, 2023, as in the case of twins, Ms. MDO also generates the right to the maternity deduction for the eldest child from the month of May inclusive, the month in which she meets the requirement of reaching 30 days of contributions and maintains it until the month before the child reaches the age of 3 years, that is, from May to August both inclusive, since on September 2, 2025 the child turns 3 years old.

With the removal of the limit on contributions accrued in the tax period, the amount corresponding to the maternity deduction for this child rises to 550 euros (100 euros for each month from May, plus the increase of 150 euros corresponding to the month of May in which the minimum period of 30 days of contributions is reached).

Total amount of maternity deduction 2025: $(1,900 + 550) = 2,450$

2. Additional increase for custody expenses

Additional increase for the eldest child:

- Number of months of compliance with requirements: 2 months
- Amount of the increase $(1,000 \text{ euros} \div 12 \text{ months} \times 2 \text{ months}) = 166.67$

Note: In this case, the additional increase for child care expenses for a child under three years of age in authorised nurseries or early childhood education centres may reach up to 1,000 euros per year and will be calculated proportionally to the number of months in which the requirements set out in article 81.1 and 2 of the Personal Income Tax Law are met simultaneously. The months to be taken into consideration are exclusively those in which the expenses paid are made for a full month. Therefore, since you are only entitled to the maternity deduction from the month of May, inclusive, and the increase for nursery expenses can only be extended until the month prior to the start of the second cycle of early childhood education (September), taking into account full months, only 2 full months are taken into account (May and June), so the calculation will be $1000 \text{ euros} \div 12 \text{ months} \times 2 \text{ months} = 166.67 \text{ euros}$.

- Increase limit: 166.67 euros.
- The increase of 166.67 euros **does not exceed** the limit of the total amount of the actual non-subsidized expenditure of custody costs: 2,290 euros.

Note: in accordance with article 81 of the Personal Income Tax Law and article 60 of the Personal Income Tax Regulations, the total non-subsidised expenditure corresponding to the total annual amounts (for full or incomplete months) paid to authorised nurseries or early childhood education centres for the pre-registration and enrolment of said minors, attendance, during general and extended hours, and food, will be reduced by the amounts of said expenses that have been paid by the companies employing the beneficiaries that are considered exempt income in kind by application of the provisions of letters b) or d) of section 3 of article 42 of the Personal Income Tax Law.

Therefore, in the present case the custody costs will be: 300 (registration) + 3,000 (6 full months) + 250 (part of July) – 700 (subsidized amount) – 560 (80 x 7 months, corresponding to exempt remuneration in kind) = 2,290 euros.

Note: Even if it has been paid by both parents at 50%, both the amount paid by the mother or the taxpayer entitled to the aforementioned increase and the amount paid by the other parent will be considered.

3. Tax return result

Differential fee: 1,500

Deduction for maternity

- Deduction amount $(1,900 + 550) = 2,450$

- Increase for daycare expenses $(166.67) = 166.67$

Result of the declaration $(1,500 - 2,450 - 166.67)$: $-1,116.67$

Case b) Receipt of unemployment benefits from December 2024 and maternity allowance from January 21 to February 3

Ms. MDO, who had been receiving unemployment benefits since December 1, 2024, applied for maternity benefits before the birth of her twins, which she received from January 24 to May 15 (once the 16 weeks of the benefit had ended), after which the collection of the pending unemployment benefit resumed. Please note that the taxpayer worked for a multinational company from 2022 until November 30, 2024.

Solution:

1. Maternity deduction amount

Deduction corresponding to each of the twins:

- Number of months of compliance with requirements: 12 months
- Deduction amount: $(12 \text{ months} \times 100 \text{ euros}) = 1,200$
- Deduction limit per child (1,200 euros).
- Total amount of the deduction for twins $= 1,200 \times 2 \text{ children} = \mathbf{2,400 \text{ euros}}$

Note: As of January 1, 2023, women who are entitled to apply the minimum for descendants when, at the time of the child's birth, they receive contributory or assistance benefits from the unemployment protection system may apply the maternity deduction for each child until the minor reaches three years of age.

In this case, the taxpayer at the time of birth was entitled to unemployment benefit, notwithstanding the fact that her payment had been suspended because it was replaced by a benefit for the birth and care of a child (maternity benefit). While this situation lasts (receiving the benefit for birth and care of a child), no days of unemployment benefit are consumed; The collection of the same is suspended and resumed once it has ended for the time remaining before its suspension.

Therefore, the number of months of entitlement for each child is 12 (January to December) because at the time of birth (January) the mother was receiving unemployment benefit, so she met the requirements, and will be entitled to the deduction until the children reach the age of 3 years.

Deduction for the eldest son:

- Number of months of compliance with requirements: 8 months
- Deduction amount $(8 \text{ months} \times 100 \text{ euros}) = \mathbf{800}$
- Limit on deduction per child (1,200 euros)

Note: Ms. MDO will be entitled to the maternity deduction in 2025 from the month of January inclusive, since at the time of the birth of her eldest son (year 2022) she was working for someone else, registered with Social Security and with contributions, so she generated the right to the maternity deduction, and maintains it until the child turns 3 years old (therefore, until August inclusive). The same would happen if you had been registered with RETA at the time of the birth of your eldest child.

Total amount of maternity deduction 2025: $(2,400 + 800) = 3,200$

2. Additional increase for custody expenses

Additional increase for the eldest child:

- Number of months of compliance with requirements: 6 months
- Amount of the increase $(1,000 \text{ euros} \div 12 \text{ months} \times 6 \text{ months}) = 500$

Note: In this case, the additional increase for the costs of custody of a child under three years of age in authorized nurseries or early childhood education centers can reach up to 1,000 euros per year and will be calculated proportionally to the number of months in which the requirements set forth in article 81.1 and 2 of the Tax Law are met simultaneously. The months to be taken into consideration are exclusively those in which the expenses paid are made for a full month. Therefore, since you are entitled to the maternity deduction from January, and the increase for nursery expenses can only be extended until the month prior to the start of the second cycle of early childhood education (September), taking into account full months, only 6 full months are taken into account (from January to June), so the calculation will be $1000 \text{ euros} \div 12 \text{ months} \times 6 \text{ months} = 500 \text{ euros}$.

- Increase limit: 500 euros.
- The increase of 500 euros **does not exceed** the limit of the total amount of the actual non-subsidized expenditure of the custody costs: 2,290 euros.

Note: in accordance with article 81 of the Personal Income Tax Law and article 60 of the Personal Income Tax Regulations, the total non-subsidized expense corresponding to the total annual amounts (for full or incomplete months) paid to authorized daycare centers or early childhood education centers for the pre-registration and enrollment of said minors, attendance, in general and extended hours, and food, will be reduced by the amounts of said expenses that have been paid by the employers of the beneficiaries that are considered exempt income in kind by application of the provisions of letters b) or d) of section 3 of article 42 of the Personal Income Tax Law.

Therefore, in the present case the custody costs will be: 300 (registration) + 3,000 (6 full months) + 250 (part of July) – 700 (subsidized amount) – 560 (80 x 7 months, corresponding to exempt remuneration in kind) = 2,290 euros.

Note: even if it has been paid by both parents at 50%, both the amount paid by the mother or the taxpayer entitled to the aforementioned increase, as well as the amount paid by the other parent will be considered.

3. Tax return result

Differential rate : 1,500

Deduction for maternity

- Deduction amount $(2,400 + 800) = 3,200$
- Increase for daycare expenses $(500) = 500$

Result of the declaration $(1,500 - 3,200 - 500): -2,200$

Case c) Female worker registered with Social Security at the time of birth

Mrs. MDO has been working for a multinational since 2010 and at the time of the birth she was registered with the corresponding Social Security system.

Solution:

For calculation purposes, the solution would be identical to that contemplated in case b) above (collection of unemployment benefit at the time of birth).

From 1 January 2023, women who are entitled to apply the minimum for descendants and who, at the time of the birth of the child, are registered in the corresponding Social Security or mutual insurance scheme, will be able to apply the maternity deduction for each child until the child reaches three years of age, eliminating the requirement that the woman must be self-employed or employed to be entitled to the deduction, so the following must be taken into account:

- At the time of the birth of each of the minors, Mrs. MDO met the requirement of being registered with Social Security, so she will be entitled to receive the maternity deduction for each of them until they reach the age of 3 years.
- In the specific case of your eldest son, he will be entitled to the aforementioned deduction until the month of August inclusive, since he will turn 3 in September, and for each of the twins he will be entitled to the same from January (month of birth) to December (12 months in total).
- As regards the increase in childcare expenses for the eldest child, this is calculated proportionally to the number of months in which the requirements set out in article 81.1 and 2 of the Personal Income Tax Law are met simultaneously. The provisions in this regard in case b) shall apply.

Deductions for large families or dependents of disabled persons

The Tax Agency's electronic headquarters includes a "Virtual Income Assistant", where you can consult the requirements, limits, amounts, and payment methods for the [deduction for large families](#) or [people with disabilities in their care](#) and [deduction for ascendants with two children in their care](#).

Regulations: Article 81 bis and Forty-Second Additional Provision of the Law IRPFABBR; art. 60 bis Regulation IRPFABBR .

Deductions included

Five deductions are established to reduce the taxation of taxpayers with higher family burdens, which will reduce the differential rate in a similar way to the deduction for maternity, that is, regardless of whether said differential rate is positive or negative, and its advance

payment can also be requested.

These deductions are:

- Deduction for each disabled descendant
- Deduction for each disabled ascendant.
- Deduction for non legally separated spouse with disabilities.
- Deduction for large family.
- Deduction for legally separated or unmarried parent with two children not entitled to annual maintenance payments

Requirements and other conditions for the application of deductions

A. In general

The following taxpayers may apply these deductions:

- a. Those who carry out an activity on **own or on behalf** others for which **are registered** the corresponding Social Security or mutual insurance scheme.
- b. Those who receive contributory and assistance benefits **from the unemployment protection system**.

In the case of unemployed persons, to be eligible to apply the deductions it is necessary to be receiving a benefit, contributory or assistance, from the unemployment protection system. It is not enough to be registered as a job seeker.

- c. Those who receive **pensions** paid by the General Regime and the special Regimes of **Social Security** or by the Regime of **Passive Classes of the State**.

Benefits generated by Law 39/2006, of December 14, on the Promotion of Personal Autonomy and Care for People in Situations of Dependency, do not give the right to deductions.

- d. Those who receive **benefits similar to those previously granted to professionals not included in the special Social Security regime** for self-employed workers or freelancers by Social Security Mutual Societies that act as alternatives to the aforementioned special Social Security regime, provided that the benefits are for situations identical to those provided for the corresponding Social Security pension.

The application of deductions extends to taxpayers registered abroad in public social protection systems similar to the Spanish Social Security or to social security mutual funds alternative to Social Security, and to those who receive unemployment benefits or pensions from public social security schemes corresponding to States other than Spain.

In the event that the taxpayer receives benefits obtained from a pension plan, the legal requirement is not met that the beneficiary carries out an activity as a self-employed person or another person for which he or she is registered with the corresponding Social Security or mutual fund scheme, or that he or she receives contributory and assistance benefits from the unemployment protection system, pensions paid by the

General Scheme and the special SS Schemes or by the State Passive Classes Scheme, as well as taxpayers who receive benefits similar to those previously recognized to professionals not integrated into the special Social Security scheme, so they are not entitled to the deduction.

B. In particular, according to the family situation that gives the right to the deduction

In addition to the above and depending on the deduction to be applied, taxpayers in the following circumstances will have the right to reduce the differential rate:

- a. **For each descendant with a disability**, taxpayers who are entitled to the application of the [minimum per descendants](#) provided for in Article 58 of the Law of IRPFABBR.
- b. **For each ascendant with a disability**, taxpayers who are entitled to the application of the [minimum for ascendants](#) provided for in Article 59 of the Law of IRPFABBR.
- c. **For the legally not separated spouse with a disability**, taxpayers whose disabled spouse does not have an annual income, excluding exempt income, exceeding 8,000 euros and does not generate the right to the deductions provided for in letters a) and b) above.

Annual rent: The concept of annual income, for these purposes, is constituted by the algebraic sum of net income (from work, movable and immovable capital, and economic activities), income imputations and capital gains and losses computed in the year, without applying the integration and compensation rules. However, the income must be computed by its net amount, that is, once the expenses have been deducted but without applying the corresponding reductions, except in the case of income from work, in which the reduction provided for in article 18 of the Law of the IRPFABBR when applied prior to the deduction of expenses.

According to the above, the concept of net income from work that must be taken into account to apply the aforementioned limit must be that defined in article 19 of the Law of IRPFABBR -including the reduction due to the application of the reduction in Article 18 of the Law IRPFABBR-, consequently, said income being reduced by all the expenses of article 19.2, including the specific expense of 2,000 euros of its letter f).

- d. **For large families**, taxpayers who are an ascendant, or an orphaned sibling of both parents, who is part of a large family in accordance with Law 40/2003, of November 18, on the Protection of Large Families.

Important: The taxpayer must have a large family certificate or, where applicable, prove the status of a person with a disability of the legally married spouse, ascendant or descendant in accordance with the provisions of the [Article 72 of the Regulations of IRPFABBR](#).

However, it must be taken into account in relation to the title of large family that the Resolution of the TEAC of June 24, 2021, Claim number 00/00816/2021, issued in an extraordinary appeal for the unification of criteria, has established the criterion that in order to apply the deduction for a large family, it is necessary to prove the concurrence of the requirements and conditions established in articles 2 and 3 of Law 40/2003, of November 18, on the Protection of Large Families, by any means of proof admissible in law and not exclusively by means of the official title of large family referred to in article 5.1 of this last law.

e. For being an ascendant with two children and fulfilling each and every one of the following conditions:

- **Being legally separated, or without a marriage bond,**
- **Not having the right to receive annual alimony for children,**

For the purposes established in Article 81 bis of the Law of IRPFABBRThe right to receive alimony requires a court order that so determines. However, it should be noted that, following the amendments introduced by Law 15/2015, of July 2, on Voluntary Jurisdiction, the judicial resolution of divorce is equated to the agreement of the spouses through the formulation of a regulatory agreement before the judicial secretary or in a public deed before a Notary.

This deduction will be applicable to legally separated ascendants, or those without a marital bond with two children without the right to receive annual alimony in cases where **is proven that they do not receive such alimony despite it being recognized by** court ruling. See in this regard the Supreme Court Judgment No. 1,368/2022, of October 25 (Contentious Chamber), issued in cassation appeal No. 6568/2020 (ROJ : STS 3926/2022).

- **To have the right for the children to the full amount minimum per descendants** provided for in article 58 of the Law of IRPFABBR.

Taxpayers **legally separated** with two children without the right to alimony payments, have the right to the full minimum when they have been granted exclusive custody of the children. Therefore, unlike the above, when custody is shared, the minimum per descendant will be prorated between both parents and there will be no right to apply this deduction.

For their part, ascendants **without a marital bond** with two children without the right to annual alimony, will have the right to apply the full minimum when there is no cohabitation with the other parent and both children live solely and exclusively with one ascendant.

Maximum amount of deductions

- **Deduction for those caring for descendants with disabilities**

Up to **1,200 euros per year** for each disabled descendant entitled to the application of the minimum for descendants

- **Deduction for ascendants caring for persons with disabilities**

Up to **1,200 euros per year** for each disabled ascendant entitled to the application of the minimum for ascendants.

- **Deduction for caring for a spouse with disabilities**

Up to **1,200 euros per year** for the legally non-separated spouse with a disability, provided that he or she does not have an annual income, excluding exempt income, exceeding 8,000 euros and does not generate the right to the above deductions for descendants or ascendants with disabilities.

- **Deduction for large families**

- Up to **1,200 euros per year** for being an ascendant, or an orphaned brother of father and mother, who is part of a **large family of general category** in accordance with Law 40/2003, of November 18, on the Protection of Large Families.
- This amount will be increased by 100%, that is, up to **2,400 euros per year** in the case of a **large family in the special category** in accordance with Law 40/2003, of November 18, on the Protection of Large Families.
- The amount of the deduction referred to in the previous points (1,200 euros or 2,400 euros), **will be increased by up to an additional 600 euros per year for each of the children who are part of the large family that exceeds the minimum number of children** required for said family to have acquired the status of a large family of general or special category, as appropriate.
- **Deduction for legally separated ascendant, or without a marital bond, with two children without the right to receive annual alimony**

Up to 1,200 euros per year for being a legally separated ascendant, or without a marital bond, with two children without the right to receive annual alimony and for whom you are entitled to the full minimum for descendants.

Proration, calculation of the amount and limit of deductions

Apportionment

When two or more taxpayers are entitled to the application of any of the above deductions in respect of the same descendant, ascendant or large family, the amount will be prorated between them in equal parts, without prejudice to the request for advance payment to which we refer later.

Calculation of the amount

The deductions are applied, for each taxpayer entitled to them, **proportionally to the number of months** in which the requirements for applying them are met simultaneously.

For the purposes of calculating the number of months for calculating the amount of the deduction referred to in the previous section, the following rules will be taken into account:

- a. The determination of the status of large family, the marital status of the taxpayer, the number of children that exceeds the minimum number of children required for the family to have acquired the status of large family of general or special category and the disability situation will be carried out according to your situation on the **last day of each month**.

Similarly, if the disability ceases, the large family title expires, or the marriage is dissolved (with the spouse having a disability) with effect from the last day of the month, there will be no right to apply the corresponding deduction for that month.

Finally, in the event of the death of the person who gives rise to the right to the deduction, or the death of the taxpayer, given that the situation existing on the last day of the month must be taken into account, there will be no right to apply the deduction for that month,

except when the death occurs on the last day of the month.

- b. For taxpayers who carry out an activity on their own or as an employee, the requirement of registration in the corresponding Social Security or Mutual Insurance scheme will be deemed to be fulfilled when this situation occurs on **any day of the month**.
- c. For taxpayers who receive contributory and assistance benefits from the unemployment protection system, Social Security pensions or Passive Classes and benefits similar to the above, the requirement to receive the aforementioned benefits will be deemed to be met when such benefits are received **on any day of the month**, **and the requirement of registration** in the corresponding Social Security or Mutual Fund regime will not be applicable.

Limit on deductions

A. In general:

In the case of taxpayers who carry out an **activity on their own or as an employee** for which they are registered with the corresponding Social Security or mutual insurance scheme, **the limit** for each of the deductions will be the **amount of the total contributions and fees to Social Security and alternative** mutual insurance societies accrued in each tax period after the time when the requirements established for its application are met. However, in the tax period in which the situation that causes the right to the deduction to end occurs (end of disability, death of a descendant or ascendant, expiration of the large family title, dissolution of the marriage), only the Social Security contributions accrued during the period in which there is a right to apply the deduction must be taken into account and not those for the entire year.

For these purposes, the number of months in which the requirements for its application are met simultaneously and the total contributions and fees to Social Security and Mutual Societies corresponding to all taxpayers who are entitled to the deduction will be taken into account jointly.

Note: For the purposes of calculating this limit, contributions and fees will be computed in their full amounts, without taking into account any bonuses that may apply.

B. Special rules:

- If the taxpayer is entitled to the deduction for several disabled ascendants or descendants, **the aforementioned limit will be applied independently for each of them.**
- **In the case of large families in a special category, the 100% increase in the deduction (1,200 euros) will not be taken into account for the purposes of the aforementioned limit.**
- **For the purposes of the aforementioned limit, the increase of up to 600 euros per year will not be taken into account each of the children** who are part of the large family **that exceeds the minimum number of children** required for said family to have acquired the status of a large family of general or special category.

C. Excluded from the Limit:

For taxpayers who receive contributory and assistance benefits from the **unemployment protection system**, Social Security pensions or Passive Classes **and benefits similar** to the above, **the previous limit** on the amount of contributions and fees paid to Social Security and alternative Mutual Societies accrued in each tax period **does not apply to them nor, in the event that the right to the deduction has been transferred in their favor** , will the total contributions and fees to Social Security and Mutual Societies corresponding to all taxpayers who have the right to the deduction be taken into account jointly.

Incompatibilities between deductions

- The deduction for a legally not separated spouse is incompatible with the deduction for descendants and ascendants with disabilities with respect to the same person.
- The deduction for large families and the deduction for ascendants, legally separated or without a marital bond, with two children without the right to receive annual alimony are incompatible with each other.

Advance payment of deductions

Assumptions and requirements

Taxpayers entitled to apply these deductions may request advance payment from the State Tax Administration Agency in the following cases and with the requirements indicated:

1. In the case of taxpayers who carry out a **activity on their own or as an employee** for which they are registered with the corresponding Social Security or mutual insurance scheme, **for each of the months in which they are registered with Social Security or a mutual insurance scheme and pay contributions for the minimum periods** indicated below:
 - a. Workers with a full-time employment contract, registered for at least fifteen days of each month in the General Regime or in the special Regimes for Coal Mining and Sea Workers.
 - b. Workers with part-time employment contracts whose working hours are at least 50% of the regular working hours in the company, on a monthly basis, and who are registered for the entire month under the schemes mentioned in the previous paragraph.
 - c. In the case of self-employed workers registered in the Special System for Self-Employed Agricultural Workers included in the General Social Security Regime when daily contribution bases have been chosen, who work at least ten actual days in said period.
 - d. Workers included in the remaining Special Regimes of Social Security not mentioned in the previous paragraphs or members of the respective mutual societies alternative to Social Security who are registered for fifteen days in the month.
2. In the case of taxpayers who receive contributory and assistance benefits from the protection system, Social Security pensions or Passive Classes **and benefits similar** to the above, **for each of the months in which such benefits are received** .

The State Public Employment Service, Social Security, and the alternative social security mutual funds to Social Security and any other body that pays benefits and pensions shall be required to provide electronically to the State Tax Administration Agency during the first ten days of each month the data of the persons to whom they have paid the aforementioned benefits or pensions during the previous month.

3. For the advance payment of **the deduction for a legally not separated spouse**, the amount **of the annual income to be taken into consideration** will be that corresponding to the last tax period whose deadline for filing the self-assessment would have ended at the beginning of the year in which its advance payment is requested.

Advance payment request and its processing

The processing of the advance payment will be carried out in accordance with the following procedure:

1. Submission of application for advance payment

The request for advance payment may be submitted from the moment in which, having fulfilled the requirements and conditions established for the right to its collection, the taxpayer opts for the advance payment modality of the same.

The application must comply with form 143 approved by Order HAP/2486/2014, dated 29 December (Official State Gazette, 31 December), amended by Orders HAP/410/2015, dated 11 March (Official State Gazette, 12 March) and HAC/763/2018, dated 10 July (Official State Gazette, 18 July), and the data in said form that correspond to the type of deduction being requested must be completed.

Order HAC/763/2018, of July 10, has modified, for applications for advance payment of deductions for large families and dependent persons with disabilities submitted from August 1, 2018, form 143 to introduce the new deduction for a legally not separated spouse with a disability.

However, with regard to the increase in the deduction for large families for each of the children that form part of the large family, which exceeds the minimum number of children required for said family to have acquired the status of a large family of general or special category, no modification is included in the section "Deduction for large families" of form 143 since, with the information available, it will be the Tax Agency itself that directly calculates and pays the aforementioned increase to taxpayers who, having the right, have requested the advance payment of this deduction, without it being necessary to provide additional information.

Once the application for advance payment has been submitted, it will not be necessary to repeat it during the entire period in which you are entitled to advance payment of the deduction, except to report any subsequent changes.

An application must be submitted for each deduction to which one may be entitled and, in the case of the deduction for dependent ascendants or descendants with disabilities, for each ascendant or descendant who is entitled to the deduction.

2. Methods for requesting advance payment and its processing

The application may be submitted using one of the following two methods:

a. Individual mode.

An application must be submitted for each taxpayer entitled to a deduction.

In this type of application, the applicant will be paid the amount resulting from dividing the corresponding amount by the number of taxpayers entitled to apply the minimum for the same descendant or ascendant with a disability, or by the number of ascendants or siblings with no father or mother who are part of the same large family, depending on the type of deduction in question.

The amount of the monthly deduction for a legally not separated spouse with a disability will be 100 euros and the application must always be individual, corresponding to a single taxpayer.

b. Collective modality .

The application must be submitted by all taxpayers who may be entitled to the deduction for the same descendant, ascendant or large family.

In this type of application, the first applicant must be designated as a taxpayer who, at the time of submitting the application, meets the requirements for the application of the corresponding deduction.

The advance payment will be made monthly without any prorating, in the amount of **100 euros** for each descendant, ascendant or large family. This amount will be **200 euros** if it is a large family of special category. In the case of large families, this amount will be increased by **50 euros** per month for each of the children who are part of the large family, **which exceeds** the minimum number of children required for said family to have acquired the status of a large family of general or special category, as appropriate.

Each January, the application method for each of the deductions may be modified.

Applicants, their legally non-separated spouse with a disability, and any disabled descendants or ascendants listed in the application must have a tax identification number.

3. Resolution

The State Tax Administration Agency, in view of the application received and the data in its possession, if it considers the application to be appropriate, will automatically pay the applicant the amount of each deduction in advance and on account.

In the event that advance payment of the deduction is not appropriate, the State Tax Administration Agency will issue an express resolution that will be notified to the interested party. The agreement denying the request must in all cases be reasoned.

4. Payment

The advance payment of deductions will be made monthly by the State Tax Administration Agency, by bank transfer, for the amount corresponding to whether it is an individual or collective application and the months in which the conditions are met. The Minister of Finance (currently, the Minister of Finance) may authorize payment by crossed or personal check when circumstances justify it.

Communication of variations that affect advance payment

Taxpayers entitled to advance payment of these deductions will be obliged to notify the tax authorities of any changes that affect their advance payment, as well as when, due to any unforeseen cause or circumstance, they fail to meet any of the requirements for receiving them.

Communication of such changes must be made within fifteen calendar days following the day on which the change or non-compliance with the requirements occurred, using form 143.

Regularization due to the receipt of the amount of the advance payment improperly, in whole or in part

Two assumptions must be distinguished:

• Taxpayers not required to file

Taxpayers not required to file a tax return for the IRPFABBR They must regularize their tax situation when the amount received for each of the deductions for large families, for people with disabilities or for ascendants with two children does not correspond to that of their advance payment, by paying the amounts received in excess. To do this, they must submit form 122 within the period between the date on which the advance payments were unduly received and the deadline for filing the tax return. IRPFABBR corresponding to the fiscal year in which the advance payment was improperly received.

Note: see Order HFP /105/2017, of February 6, approving form 122 "Personal Income Tax. deductions for large families, for those caring for persons with disabilities or a legally separated ascendant with two children or without marriage ties. Regularization of the right to deduction for taxpayers not required to file a return" (BOE of October 10).

• Taxpayers required to declare

In the case of taxpayers required to file a tax return who have received the advance payment unduly, in whole or in part, they must regularize their situation in the tax return. IRPFABBR corresponding to the year in which the unduly received advance payment was made.

Transfer of the right to deduction

What does it consist of

When two or more taxpayers are entitled to apply any of the deductions in respect of the same descendant, ascendant or large family, the right to the deduction may be assigned to one of them.

It is considered that **there is no profitable transfer** for tax purposes for this transfer.

Cases in which the right is understood to be transferred in favor of another taxpayer

The right is deemed to be transferred in the following cases:

- When two or more taxpayers are entitled to apply any of the deductions and have submitted a joint application for advance payment, the right to the deduction will be considered transferred to the first applicant, who must include it in the tax return. IRPFABBR the amount of the deduction and the total amount of the advance payment received.
- In all other cases, the right to the deduction will be understood to be assigned to the taxpayer who applies the deduction in their tax return, and this circumstance must be stated in the tax return of all taxpayers who would be entitled to the deduction, unless the assignor **be a non-obligated person** In which case such transfer will be carried out by means of the presentation of form 121 which must be submitted within the period established in each year for the presentation of the declaration of IRPFABBR.

See in this regard Order HFP/105/2017, of February 6, approving form 121 "Personal Income Tax. Deductions for large families or those caring for persons with disabilities. Communication of the transfer of the right to deduction by taxpayers not required to file a return" (BOE of February 10).

Note: *In the case of transfer of the right in favor of another taxpayer, this must be indicated in the declaration, within the corresponding deduction, that the right to the deduction has been transferred to him/her and, where applicable, the NIF of the transferor.*

Special rules for calculating the deduction when the right is transferred

When the transfer is carried out, for the purposes of calculating the deduction, the following special rules will apply:

- a. The amount of the deduction will not be prorated among them, but will be applied in full by the taxpayer in whose favor the deduction was granted.
- b. The months in which any of the taxpayers who were entitled to the deduction meet the requirements will be counted.
- c. The total contributions and fees to Social Security and Mutual Societies corresponding to all taxpayers who are entitled to the deduction will be taken into account jointly.
- d. Any amounts that have been received in advance will be considered to have been obtained by the taxpayer in whose favour the deduction has been assigned.

Application of deductions in the personal income tax return

Deductions reduce the differential rate, regardless of whether said differential rate is positive or negative. Consequently, the amount of the deductions to be applied must be stated in the declaration for the year in the section corresponding to "Differential rate and result of the declaration", of the declaration model, boxes [0623] for the deduction for dependent descendants with disabilities, [0636] for the deduction for dependent ascendants with disabilities, [0248] for the deduction for a legally not separated spouse with a disability, [0660] for the deduction for a large family and [0662] for the deduction for an ascendant, legally separated or without a marital bond, with two children without the right to receive annual alimony.

Note: *Descendants or ascendants and the legally non-separated spouse with a disability who are related to the deductions for dependent persons with disabilities must have NIF .*

Taxpayers to whom the Tax Agency has paid monthly amounts in advance payment upon request must enter the sum of these, based on the corresponding deduction, in boxes [0624] (deduction for dependent disabled descendants), [0637] (deduction for dependent disabled ascendants), [0249] (deduction for dependent disabled spouse not legally separated) [0661] (deduction for large family) and [0663] (deduction for ascendant, legally separated or without marital ties, with two children without the right to receive annual alimony) of declaration .

Likewise, when amounts have been received in advance and the taxpayer, in the case of dependent persons with disabilities, is not entitled to the minimum allowance for descendants or ascendants, must regularize this situation in their tax return. IRPFABBR entering in the boxes [0664] or [0666], as appropriate, the amount charged that must be regularized.

In the case of taxpayers **not required to declare** , such regularization will be carried out by means of the payment of the excess amounts received in the place, form and period determined by the Minister of Finance .

See in this regard Order HFP /105/2017, of February 6, approving models 121 and 122 (BOE of February 10).

Note: *Late payment interest will not be payable for the receipt, through advance payment and for reasons not attributable to the taxpayer, of amounts greater than those corresponding to deductions for large families or for dependent persons with disabilities.*

Examples

Example 1. Deduction for dependent disabled descendants with advance payment

The couple formed by Mr. FGD, who receives a Social Security retirement pension of 1,600 euros per month, and Ms. TVJ live with their 35-year-old son who has had a disability rating of 33 percent since 1992 and who receives an exempt income.

Determine the amount of the deduction for dependent children with disabilities for the 2025 tax year, knowing that the differential tax liability of the joint declaration of the married couple amounts to 2,300 euros and that in July 2025 they collectively requested and received the advance payment of the deduction.

Solution :

Previous note: Mr. FGD meets the requirements to apply the deduction as a pensioner and entitled to the minimum for descendants in this case as it is a disabled child regardless of his age, who lives with the taxpayer and does not have annual income, excluding exempt income, greater than 8,000 euros, nor does he file a return. For her part, Mrs. TVJ is not entitled to the deduction as she does not carry out any type of activity on her own or as an employee, nor does she receive benefits as a pensioner or unemployed person.

Differential fee: + 2,300

Deduction for dependent disabled descendant:

- Number of months of compliance with requirements: 12 months
- Deduction amount = - 1,200
- Deduction limit per child (1,200 euros) [\(1\)](#)

Advance payment:

- Number of months that you have received the advance payment: 6 months [\(2\)](#)
- Amount of the advance payment of the deduction (6 months x 100 euros) = + 600

Difference (1,200 - 600) = - 600

Result of declaration (2,300 - 600): 1,700 (to be entered)

Notes to the example:

(1) Since this is a taxpayer who receives a Social Security pension, the limit on the amount of contributions and fees paid to Social Security and Mutual Societies, which is established for taxpayers who carry out an activity on their own or as an employee, does not apply to them.

The limit will be the annual amount of the deduction of 1,200 euros and as long as the required conditions have been met throughout the year, the full amount may be deducted. [Back](#)

(2) From July to December he has received the advance payment of 100 euros each month (600 euros) for 6 months. [Back](#)

Example 2. Deduction for dependent ascendants with disabilities without advance payment or transfer of right

Mr. GVV, 77 years old, with a 45 percent disability, receives a retirement pension of 6,500 euros per year and does not file a tax return. IRPFABBR.

She has 2 children with whom she lives throughout the year (6 months with each one). The first of them, Mr. PVP, worked for someone else from January to October 2025 with Social Security contributions of 1,400 euros. The second, Mr. LVP, also worked for someone else

from January to May 2025, fulfilling the minimum registration period requirement and contributing 50 euros each month, and from June to December 2025 he has been receiving unemployment benefits.

The differential fee IRPFABBR In 2025, the amounts for each of the brothers were -1,100 euros for Mr. PVP and 250 euros for Mr. LVP

Determine for each of the taxpayers the amount of the deduction for dependent ascendants with disabilities corresponding to the 2025 tax year and the result of their declaration, taking into account that neither requested the advance payment of the deduction nor transferred their right to the other.

Solution :

A) Taxpayer Mr. PVP

Differential fee: -1.100

Deduction for dependent disabled ascendant [\(1\)](#):

Number of months of compliance with requirements: 10 months

- Deduction amount: -500
- Deduction limit (500 euros)

Advance payment : 0

Result of declaration $(1,100 + 500) = -1,600$ (to be returned)

B) Taxpayer Mr. LVP

Differential rate : + 250

Deduction for dependent disabled ascendant

Number of months of compliance with requirements: 12 months

- Deduction amount = - 600
- Deduction limit = 600 (all requirements are met throughout the year) [\(2\)](#)

Advance payment: 0

Result of declaration $(250 - 600) = -350$ (to be returned)

Notes to example :

⁽¹⁾ Since both siblings are entitled to the deduction, the amount of this will be prorated between them in equal parts (the ascendant lives with each one for 6 months). The resulting amount $(1,200 / 2 = 600$ euros) is applied for each taxpayer entitled to the deduction proportionally to the number of months in which the requirements for applying it are met simultaneously (in this case, the requirements for registration in the corresponding Social Security regime and the right to the minimum for 10 months are met).

Therefore, $600 \div 12 \text{ months} \times 10 \text{ months} = 500$ euros correspond to the taxpayer's deduction and this amount prevails since the amount of contributions and fees accrued to Social Security is higher (1,400 euros). [Back](#)

(2) The taxpayer is entitled to half of the deduction (600 euros). This amount must be applied proportionally to the number of months in which the requirements are met simultaneously. In this case, he complies throughout the year because he was registered with social security for 5 months and received unemployment benefits for the rest. The monthly amount of this deduction will therefore be 50 euros ($600 \div 12$).

It should be noted that the figure of 250 euros of the total amount of said deduction (50×5 months in which you have been working), has as a limit the amount of contributions and fees accrued to Social Security ($50 \times 5 = 250$ euros). Since this limit is not exceeded in this case, the taxpayer will be able to deduct the entire 250 euros. Regarding the remaining 350 euros of said deduction (50×7 months receiving unemployment benefit), the taxpayer may also deduct said amount in its entirety, since, with respect to unemployment benefits received, said limit will not apply to them.

Therefore, the amount of the deduction will be: 250 euros for the months that you were registered with social security (you do not exceed the limit of contributions to social security) + 350 euros (for the months in which you received unemployment benefits without limit, with respect to contributions to social security) = 600 [Back](#)

Example 3. Deduction for spouse not legally separated with disability dependent with advance payment

Mr. TFP 85 years old receives a retirement pension of 16,500 euros per year. His wife Mrs. APA The 82-year-old, who has a recognized disability level of 85 percent, obtained income in 2024, excluding exempt income, amounting to 250 euros and in 2025 to 300 euros. Both spouses live alone.

Determine the amount of the deduction for a legally married spouse with a disability for the 2025 tax year and the result of their tax return, knowing that the difference in the joint tax return for the married couple amounts to -1,300 euros and that Mr. TFP I request the advance payment of the deduction on October 1, 2025.

Solution :

Differential fee: - 1,300

Deduction for legally not separated spouse with a disability in his/her care. [\(1\)](#)

- Number of months of compliance with requirements: 12 months [\(2\)](#)
- Deduction amount = -1,200
- Deduction limit (1,200 euros)

Advance payment : [\(3\)](#)

- Number of months you have received the advance payment: 3 months
- Amount of the advance payment of the deduction (3 months x 100 euros) = +300

Difference ($1,200 - 300$) = -900

Result of the declaration: $-(1,300 + 900) = -2,200$ (to be returned)

Notes on the example

(1) Mrs. APA In the 2025 tax year, he did not obtain annual income, excluding exempt income, exceeding 8,000 euros, nor did he generate the right to the deduction for a dependent ascendant with a disability, as he did not meet the cohabitation requirement with any of his children, Mr. TFP is entitled to the deduction for a legally not separated spouse with a disability. [Back](#)

(2) Since the total amount of this deduction (1,200 euros) is applied proportionally to the number of months in which the requirements are met, the amount and limit in this case is 1,200 euros.

Furthermore, since they are pensioners, the limit on the amount of contributions and fees paid to Social Security and alternative mutual societies accrued in each tax period does not apply to them. [Back](#)

(3) For the advance payment of the deduction for a legally married spouse with a disability, according to Article 60 bis of the Regulations of IRPFABBR The amount of annual income to be taken into consideration will be that corresponding to the last tax period whose deadline for filing self-assessment had ended at the beginning of the year in which its advance payment is requested, that is, those of the 2024 year which were 250 euros. Therefore, being entitled, the amount of the monthly payment of the deduction in advance for a legally married spouse with a disability will be 100 euros from the month in which the application is submitted (October) until December, that is, for 3 months of 2025. [Back](#)

Example 4. Deduction for large family with transfer of right and advance payment

Married couple formed by Mr. RPG and Mrs. MGB, both have worked in 2025. He, as a civil servant of a Ministry, with a discount for MUFACE fees for an annual amount of 527 euros. She is carrying out a professional activity for which she has been registered for all months of the year in the Special Regime for Self-Employed Workers and for which she paid contributions for an annual amount of 2,100 euros.

The couple has four children aged 20, 18, 15 and 13 respectively, who will be dedicated to their studies in 2025 and hold the title of large family of general category.

Determine the amount of the deduction for large families corresponding to the 2025 tax year and the result of their declaration, taking into account that Mr. RPG transferred his right to the deduction to the other parent, that they collectively requested the advance payment in March and that the differential fee IRPFABBR MGB donut It has been 300 euros in the year 2025.

Solution :

Declaration of the taxpayer Mrs. MGB

Previous note: Mr. RPG You should not include anything in your declaration of IRPFABBR in the boxes relating to the deduction for large families for having transferred their right at the time of requesting the advance payment collectively.

Differential fee: + 300

Large family deduction

1. For large families of general category: [\(1\)](#)

- Number of months of compliance with requirements: 12 months
- Deduction amount = -1,200

- Deduction limit (1,200 euros) [\(2\)](#)

2. Increase for children who, being part of a large family, exceed the minimum number of children required to be a large family of the general category:

- Number of children that exceed the minimum: 1 son [\(3\)](#)
- Number of months of compliance with requirements: 12 months
- Deduction increase = -600 [\(4\)](#)

3. Total deduction for large families $(1,200 + 600) = -1,800$

Advance payment

1. For large families of general category: [\(5\)](#)

- Number of months you have received the advance payment: 10 months
- Amount of the advance payment of the deduction $(10 \text{ months} \times 100 \text{ euros}) = +1,000$

2. Increase for children who, being part of the large family, exceed the minimum number of children required to be a large family of the general category: [\(6\)](#)

- Number of months you have received the advance payment: 10 months
- Amount of the advance payment of the deduction $(10 \text{ months} \times 50 \text{ euros}) = +500$

3. Total advance payment $(1000 + 500) = -1,500$

Difference $(\text{deduction } 1,800 - \text{advance payment } 1,500) = -300$

Result of declaration $(300 - 300) = 0$

Notes to the example:

(1) As a result of the transfer, the months in which any of the taxpayers who were entitled to the deduction meet the requirements (in this case 12 months) and donate MGB will be counted. will apply in full to your declaration of IRPFABBR in 2025 the amount of the corresponding deduction and the total amount of the advance payment received. [Back](#)

(2) In the case of a transfer, the total contributions and fees to Social Security and Mutual Societies corresponding to both parents are taken into account jointly $(2,100 + 527 = 2,627)$. Since the total amount of contributions and fees to Social Security and MUFACE is higher, the maximum amount of the deduction prevails in the latter. [Back](#)

(3) According to article 2 of Law 40/2003, of November 18, on the Protection of Large Families, in this case, the minimum number of children required to be a large family of the general category is 3. Having 4 children who have been part of the large family during 2025, the excess will be 1 child. [Back](#)

(4) Since the total amount of this deduction (up to 600 euros for each child) is applied proportionally to the number of months in which the requirements are met, the amount and limit in this case is 600 euros.

Furthermore, this increase, as established in Article 81 bis of the Law of IRPFABBR It will not be taken into account for the purposes of the limit on the amount of contributions and fees paid to Social Security and alternative Mutual Societies accrued in each tax period. [Back](#)

(5) The advance payment has been received from March to December (1,000 euros). This amount will be considered to have been obtained by the taxpayer in whose favour the deduction was granted. [Back](#)

(6) For the advance payment of the increase, since this is a collective application, the advance deduction was increased by 50 euros per month for the child that exceeds the minimum number of children required for said family to have acquired the status of a large family in the general category.

It should also be noted that, as set out in Order HAC/763/2018, of July 10 (BOE of July 18), taking into account the information available to the Tax Agency pursuant to the provisions of Article 60 bis.6 of the Regulation of IRPFABBRIt will not be necessary for taxpayers requesting the advance payment of the deduction for large families to provide additional information, since the Tax Agency will calculate the increase of this deduction that corresponds for each child that exceeds the minimum number of children required for said family to have acquired the status of a large family of general or special category and will proceed, together with the amount of the deduction for large families, to its advance payment. [Back](#)

Example 5. Deduction for ascendant, legally separated or without marital ties, with two children without the right to receive annuities for alimony

Mrs. MBA divorced with two children whose care and custody she is assigned. One of the children has a 33% disability. The other parent is not obliged to pay annual child support payments.

Determine the amount of the deduction for an ascendant, legally separated or without a marital bond, with two children without the right to receive annual alimony and the result of the declaration taking into account that Mrs. MBA He has received a benefit until October 2025 and an unemployment subsidy for the months of November and December 2025, that his differential fee is -400 euros and that he has requested the advance payment that corresponded to him since January.

Solution :

Preliminary note : In this example, both the requirements for applying the deduction for an ascendant, legally separated or without a marital bond, with two children without the right to receive annuities for maintenance and the requirements for applying the deduction for a large family are met, since in accordance with the provisions of article 2 of Law 40/2003, of November 18, on the Protection of Large Families, it already equates a large family with one ascendant with two children, in which one of them has, as in this case, a disability. The taxpayer must choose to apply one or the other deduction, but not both. In this case, according to the example statement, you choose to apply the deduction for an ascendant, legally separated or without a marital bond, with two children.

However, since there is a disabled descendant for whom Mrs. MBA is entitled to the full minimum for descendants in addition to the deduction for an ascendant, legally separated or without a marital bond, with two children, she can also apply the deduction for dependent disabled descendants (both deductions are compatible with each other).

Differential rate = -400

A) Deduction for ascendants, legally separated or without a marital bond, with two children without the right to receive annual alimony:

• Deduction amount

- Number of months of compliance with requirements: 12 months
- Deduction amount (12 months x 100 euros) = -1,200

- Deduction limit (1,200 euros) [\(1\)](#)
- **Advance payment:**
 - Number of months that you have received the advance payment: 12 months [\(2\)](#)
 - Amount of the advance payment of the deduction (12 months x 100 euros) = +1,200
- **Difference** (1,200 - 1,200) = 0

B) Deduction for dependent disabled descendant:

- **Deduction amount**
 - Number of months of compliance with requirements: 12 months
 - Deduction amount (12 months x 100 euros) = -1,200
 - Deduction limit per child (1,200 euros) [\(1\)](#)
- **Advance payment :**
 - Number of months that you have received the advance payment: 12 months [\(2\)](#)
 - Amount of the advance payment of the deduction (12 months x 100 euros) = +1,200
- **Difference:** (Deduction 1,200 - Advance payment 1,200) = 0

Result of declaration : -400 (to be returned)

Notes to the example:

(1) As this is a taxpayer who receives assistance benefits (January to October) and unemployment benefits (November and December), the limit on the amount of contributions and fees paid to Social Security and Mutual Societies, which is established for taxpayers who carry out an activity on their own or as an employee, does not apply to them.

The limit will be the annual amount of the deduction of 1,200 euros and as long as the required conditions have been met throughout the year, the full amount may be deducted. [\(back to\)](#) [\(back to b\)](#)

(2) From January to December he received advance payment of 100 euros each month (1,200 euros) for 12 months. [\(back to\)](#) [\(back to b\)](#)

Amount of Personal Income Tax (IRPF) corresponding to the Autonomous Community of residence of the taxpayer in the 2025 tax year

Since January 1, 2009, the partial transfer of IRPFABBR It has a maximum limit of 50 percent of the output produced in the territory of each Autonomous Community, in accordance with the provisions of Organic Law 8/1980, of September 22, on the Financing of the Autonomous Communities (LOFCA), last amended by Organic Law 9/2022, of July 28 (BOE July 29).

Determining the amount of IRPFABBR which corresponds to the Autonomous Community of residence of the taxpayer in the 2025 tax year allows compliance with the provisions of Article 46 of Law 22/2009, of December 18, which regulates the financing system of the Autonomous

Communities of common regime and Cities with Statute of Autonomy and modifies certain tax regulations (BOE of December 19), regarding the need for the declaration models of IRPFABBR allow the transferred nature of this tax to be made visible.

For this purpose, taxpayers, with the exception of those who in the 2025 tax year had their habitual residence abroad or in the Cities with Statutes of Autonomy of Ceuta or Melilla, will complete section "N" of the declaration to determine the amount of IRPFABBR which corresponds to your Autonomous Community of residence.

The determination of this amount will be carried out in accordance with the following operations:

(+) Increased net autonomous quota , box [0586]

(-) 50% of the amounts corresponding to:

- Deduction for international double taxation, due to income obtained and taxed abroad, box [0588] .
- Deduction for international double taxation in cases of application of the international tax transparency regime, box [0589] .
- Deduction for double taxation in the cases of the imputation regime of income derived from the transfer of image rights, box [0590] .

(=) Amount of the IRPFABBR which corresponds to the Autonomous Community of residence of the taxpayer.

Regularization of tax situations: the corrective self-assessment

A. In general

Regulations: art. 67 bis Regulation IRPFABBR

Attention: from March 14, the date of approval of the Order HAC/242/2025, of March 13, which approves the declaration forms for Personal Income Tax and Wealth Tax, 2024 tax year, establishes, within the scope of IRPFABBR, the effective application of the corrective self-assessment **as a unique system for correction** self-assessments, replacing the current dual system of supplementary self-assessment and request for rectification. This new rectification system is configured as the general procedure for modifying tax returns. IRPFABBR from the 2024 tax period. Notwithstanding the foregoing, the traditional procedure for requesting rectification of self-assessments remains in effect under the conditions established in Article 67 bis of the Regulations of IRPFABBR in the wording given by Royal Decree 1074/2017, of December 29, which will be applied for the correction of errors in self-assessments of IRPFABBR corresponding to 2023 and previous years.

As **general rule**, to rectify, complete or modify the self-assessments submitted from IRPFABBR. By 2025, taxpayers must submit an amended self-assessment, regardless of the outcome, using the declaration form for this purpose. IRPFABBR.

For these purposes, see the "Content" section below.

As an **exception**, when the reason for the rectification of the self-assessment is exclusively the possible violation by the rule applied in the previous self-assessment of the precepts of another rule of higher legal, constitutional, European Union Law or an international Treaty or Convention, rectification may be requested through the procedure provided for in article 120.3 of the LGT, and developed in articles 126 to 128 of the RGAT, or a corrective self-assessment may be submitted.

If it is necessary to initiate this procedure, you can consult the phases of it in the 2023 Income Tax Manual or the manual for the year to which the corresponding modification refers.

However, if this reason is present alongside other reasons of a different nature, the taxpayer must file a corrective self-assessment for the latter.

Please note that corrective self-assessments **will not allow the submission of attached documentation**.

Filing period

The corrective self-assessment of a previous self-assessment from 2025 may be submitted both within and outside the self-assessment filing period, but always **before it has prescribed** the Administration's right to determine the tax debt through settlement or the right to request the refund that may be due. When submitted outside the declaration period, it will be considered untimely.

Contents

The corrected self-assessment will be submitted using form 100, the declaration of IRPFABBR, in which the taxpayer must expressly indicate that it is a corrective self-assessment of another previous self-assessment from 2025 corresponding to the same concept, year (2025) and period, by marking the box with an X [103].

In this case, you must also enter the supporting document number of the self-assessment whose correction is requested in box [104].

Likewise, you must indicate the reason for filing the corrective self-assessment in question, so that:

- When the corrective self-assessment results in an amount to be paid, the taxpayer must select the reason for filing it (boxes [108] to [121]) of the declaration.
- When the reason for the corrective self-assessment is one other than those included in boxes [108] to [121], the taxpayer must indicate this by marking box [107].

For these purposes, the corrective self-assessment will include the data included in the previously submitted self-assessment that are not subject to modification, those that are subject to modification, and those newly included.

In cases where the reason for filing a corrective self-assessment is a discrepancy in administrative criteria, the taxpayer must indicate this by marking box [122], included on page 3 of form 100, also entering the amount that is considered correct in the corresponding box of the form whenever possible. When adjustment through the remaining boxes of the model is not possible, the box can be completed [0669], the amount of which will be taken into account in calculating the result of the declaration (box [0670]).

The box for disagreement with administrative criteria will include the cases in which, **there being no violation of a higher-ranking rule**, there is disagreement in the interpretation of the same.

Important : *The completion of the aforementioned box [0669] will be exceptional; It will only be carried out when, due to a discrepancy in administrative criteria, it is not possible to make the modification in question through the remaining boxes of the declaration form.*

Effects

Important : *The corrective self-assessment will not have any effect on those elements that have been regularized through a final or provisional settlement in accordance with the terms of Article 126.2 and 3 of the General Regulations on tax management and inspection actions and procedures and the development of common rules for tax application procedures, approved by Royal Decree 1065/2007.*

As a general rule, the error will be deemed to have been corrected upon submission of the corrective self-assessment.

In particular:

- When the modification carried out **results in an amount to be paid that is higher** than that of the previous self-assessment **or an amount to be refunded that is lower** than that previously self-assessed, the regime established for supplementary self-assessments in article 122.2 of the LGT and 119 of the RGAT will be applied.

Therefore, this will correct any errors or omissions in previously filed returns that may have led to a lower payment than legally required or a higher refund than required. Likewise, any unforeseen situations or circumstances that result in the loss of the right to an exemption, deduction, or tax incentive already applied in a previous tax return must be regularized.

However, the loss of the right to certain deductions, as discussed in this same Chapter under the heading "[Increase in net contributions, state and regional, due to loss of the right to deductions from previous years](#)", must be regularized in the self-assessment of the year in which the non-compliance with any of the requirements for the consolidation of the right to said deductions occurred. Therefore, if the aforementioned self-assessment pertains to tax periods prior to 2024, the previous system will be used, in accordance with Article 67 bis of the Regulations of IRPFABBR, as worded by Royal Decree 1074/2017, of December 29, which will be applied to the correction of errors in self-assessments of IRPFABBR corresponding to 2023 and previous years (see, for example, the section on "Regularization of tax situations" in the Manual of IRPFABBR 2023).

Note: *The payment of corrective self-assessments may never be split into two installments.*

In these cases, the taxpayer must indicate a reason from among those contemplated in boxes [108] to [121] , or where applicable [122], which will be detailed in the section called "[Specific cases of personal income tax](#)".

- When the corrective self-assessment **results in an amount to be refunded** , the submission of said self-assessment will initiate the refund procedure provided for in articles 124 to 127 of the LGT . Therefore:
 - The deadline for filing the refund is six months from the end of the statutory period for filing the self-assessment (generally June 30) or from the date the corrective self-assessment is filed, if the deadline has already expired.

Regarding the resolution period, please note the recent Supreme Court rulings Nos. 275/2022, of March 4 (ROJ: STS 1040/2022) and 888/2024, of May 23 (ROJ: STS 2851/2024) in which it establishes as an interpretative criterion that, in cases where no resolution has been issued regarding the refund request after the six-month period has elapsed, the following effects will occur:

- The refund will be deemed to have been agreed upon by positive silence and must be carried out.
- The taxpayer may claim the requested refund from the Administration and if the latter does not issue it within the following 3 months, he or she may file an administrative appeal against the Administration's inaction (Article 29.1 of Law 29/1998, of July 13, regulating the Contentious-Administrative Jurisdiction).
- If a refund was requested upon submission of the prior self-assessment and this was not made, the submission of the corrective self-assessment will be deemed to conclude the procedure initiated by submitting the prior self-assessment.
- When the correction carried out results in **a reduction in the amount to be paid** of the previous self-assessment **and there is no amount to be refunded**:
 - The payment obligation will remain in effect up to the limit of the amount to be paid resulting from the corrective self-assessment.
 - If the debt resulting from the previous self-assessment is deferred or divided into instalments, the submission of the corrective self-assessment will be deemed to have been requested to modify the conditions of the deferral or instalment in accordance with the provisions of the second paragraph of section 3 of article 52 of the General Collection Regulations, approved by Royal Decree 939/2005, of July 29.
 - If the income from the previous self-assessment was direct debited and the self-assessment (also resulting in a payment) is submitted within the direct debit period, the new amount resulting from the corrective self-assessment may be direct debited.

New for 2025: *In cases where the taxpayer wishes to request that the 2025 self-assessment be considered as not filed because he is not obliged to declare, he must tick box [125] on page 3 of the declaration form.*

B. Specific assumptions of personal income tax

Remember: *Amendments to tax returns for tax periods prior to 2024 will be made in accordance with the previous system provided for in Article 67 bis, as amended by Royal Decree 1074/2017 of 29 December. Therefore, in the cases analyzed below, the references made to the corrective self-assessment must be understood as being made to the supplementary self-assessments to the extent that they affect self-assessments for fiscal years prior to 2024 and, consequently, the [income manual](#) corresponding to the affected tax period must be consulted.*

When the result of the corrective self-assessment is an amount to be paid that is higher or a refund that is lower than the initial self-assessment, the taxpayer must indicate the specific reason for the correction, indicating the corresponding one from among the following assumptions:

1. Perception of delays in work performance

Regulations: Art. 14.2 b) Law IRPFABBR

Remember: Amendments to tax returns for tax periods prior to 2024 will be made in accordance with the previous system provided for in Article 67 bis of the Regulations of IRPFABBR, as worded by Royal Decree 1074/2017, of December 29. Therefore, in the cases analyzed below, the references made to the corrective self-assessment must be understood as being made to the supplementary self-assessments to the extent that they affect self-assessments for fiscal years prior to 2024 and, consequently, the [income manual](#) corresponding to the affected tax period must be consulted.

This reason for adjustment should be indicated when, due to justified circumstances not attributable to the taxpayer, the income derived from work is received in tax periods other than those in which it was due. These amounts must be attributed to the tax periods in which they were due, and, where appropriate, the corresponding corrective self-assessment for the 2025 tax year must be carried out.

See in this regard the section "[Temporal imputation of employment income](#)" in Chapter 3.

The corrective self-assessment, which will not entail any penalty, late payment interest or surcharge, must be submitted within the period between the date on which the arrears are received and the end of the next filing period for the IRPFABBR.

Therefore, depending on whether the arrears are received before the start of the period for filing the personal income tax returns for the 2025 tax year, during that period or after it, and depending on whether they are arrears from tax years prior to 2025 or from the 2025 tax year itself, we find the following situations:

a. If delays are perceived between January 1, 2026 and April 7, 2026, that is, before the start of the period for filing personal income tax returns For the year 2025 we can distinguish:

- When dealing with arrears from a fiscal year prior to 2025, The supplementary or corrective self-assessment, as appropriate, for the year to which they correspond must be submitted in that year before the end of the submission period (until June 30, 2026).
- When it comes to delays from the 2025 fiscal year itself, These must be included in the self-assessment for that year.
- If delays are perceived between April 8 and June 30, 2026, that is, during the period for filing personal income tax returns cFor the year 2025 we can distinguish:

- When dealing with arrears from a fiscal year prior to 2025, The supplementary or corrective self-assessment, as appropriate, for the year to which they correspond must be submitted within the period between the receipt of the arrears and the end of the declaration period for the 2026 year.

Please note that amendments to tax returns for tax periods prior to 2024 will be made in accordance with the previous system, that is, by submitting the supplementary self-assessment for the fiscal year to which the aforementioned arrears apply.

- When it comes to delays from the 2025 fiscal year itself, These may be included in the self-assessment for that year or included in a corrective self-assessment for the 2025 year, which must be submitted before the end of the declaration period for the 2026 year.

- If the delays are noticed after the end of the filing period of the personal income tax returns corresponding to the fiscal year 2025 (that is, after June 30, 2026), the corrective self-assessment corresponding to the 2025 or 2024 tax year (they could be from tax years prior to 2024; Supplementary self-assessments for years prior to 2024) must be submitted within the period between the receipt of the arrears and the end of the declaration period for the 2026 year.

Note: If the amended return for the 2025 fiscal year corresponds to this circumstance, the taxpayer must mark the box with an "X". **[108]** from the "Corrected Self-Assessment" section of the declaration.

2. Refund of amounts derived from loan interest rate limitation clauses (floor clauses) that would have been considered a deductible expense in previous years

Regulations: Forty-fifth Additional Provision of the Law IRPFABBR

Remember: In those cases where the situation that motivates the regularization affects tax periods prior to 2024, consult the [practical manual](#) corresponding to the aforementioned tax period.

It will not be included in the taxable base of IRPFABBR The return, in cash or through other compensation measures, of the amounts previously paid to financial entities as interest for the application of clauses limiting interest rates on loans (the so-called floor clause), together with their corresponding compensatory interest, derived both from agreements made with financial entities and from compliance with judgments or arbitration awards.

For a detailed commentary on the "[floor clauses](#)," see Chapter 2.

When such amounts subject to refund have been included in the corresponding 2025 tax return as a deductible expense, they will lose such status and a corrective self-assessment for this tax year must be filed, without penalty, late payment interest, or any surcharge, within the period between the date of the agreement and the end of the next self-assessment filing period for the IRPFABBR.

Please note that amendments to tax returns for tax periods prior to 2024 will be made in accordance with the previous system, that is, by submitting the supplementary self-assessment for the fiscal year in which they were included as a deductible expense.

This adjustment will only affect the years for which the Administration's right to determine the tax debt through the appropriate liquidation has not expired.

However, if the amounts in question are derived from the application of mortgage floor clauses and were paid by the taxpayer in 2025, and the refund agreement with the financial institution or as a result of a court ruling or arbitration award is reached before the end of the self-assessment filing period for the IRPFABBR of 2025 (June 30, 2026), will not be taken into account as a deductible expense in that year.

Note: If the amended return for the 2025 fiscal year corresponds to this circumstance, the taxpayer must mark the box with an "X". **[109]** from the "Corrected Self-Assessment" section of the declaration.

3. Changes of residence between Autonomous Communities whose main objective is to achieve lower effective taxation

Regulations: Art. 72.2 and 3 Law IRPFABBR

Remember: In those cases where the situation that motivates the regularization affects tax periods prior to 2024, consult the [practical manual](#) corresponding to the aforementioned tax period.

In cases where the change of residence to another Autonomous Community is intended to achieve lower effective taxation in the IRPFABBR and, pursuant to the provisions of Article 72.3 of the Law of IRPFABBR, if it is determined that no such change has occurred for tax purposes, the taxpayer must submit the corresponding amended self-assessments for the 2025 tax year that correspond.

These self-assessments will generate late payment interest which, where applicable, will be settled by the Administration.

In accordance with the provisions of Article 72.3 of the Law of IRPFABBR, it will be presumed, unless the new residence continues continuously for at least three years, that there has been no change in relation to the transferred income of IRPFABBR, when the following circumstances occur:

- a. That in the year in which the change of residence occurs or in the following year, the taxable base of IRPFABBR be at least 50 percent higher than that of the year prior to the change. In the case of joint taxation, it will be determined in accordance with the individualization rules.
- b. That in the year in which the situation referred to in paragraph a) above occurs, its effective taxation by the IRPFABBR is lower than that which would have corresponded according to the regulations applicable in the Autonomous Community in which he resided prior to the change.
- c. That in the year following the one in which the situation referred to in paragraph a) above occurs, or in the following year, he/she once again has his/her habitual residence in the territory of the Autonomous Community in which he/she resided prior to the change.

The deadline for submitting these amended self-assessments for the 2025 tax year will end on the same day as the deadline for submitting the declaration for the IRPFABBR corresponding to the year in which the circumstances occur that determine the non-existence of the change of residence for tax purposes.

Note: If the amended return for the 2025 fiscal year corresponds to this circumstance, the taxpayer must mark the box with an "X". **[114]** from the "Corrected Self-Assessment" section of the declaration.

4. Disposition of rights consolidated by mutualists, participants or insured

Regulations: Articles 51.8, Eleventh Additional Provision of Law IRPFABBR and 50 of the Regulation IRPFABBR

Remember: and In cases where the situation that motivates the regularization affects tax periods prior to 2024, consult the [practical manual](#) corresponding to the aforementioned tax period.

In cases of disposal of vested rights by members of mutual benefit societies, including the mutual benefit society for professional athletes, as well as by participants in pension plans regulated in Directive 2003/41/EC of the European Parliament and of the Council of 3 June 2003 on the activities and supervision of institutions for occupational retirement provision, in cases other than those provided for in the consolidated text of the Law on the Regulation of Pension Plans and Funds, the taxpayer must replace the reductions in the taxable base unduly made, by submitting a corrective self-assessment corresponding to the 2025 tax year. The replacement of reductions in the taxable base unduly applied in previous years will be carried out by submitting a supplementary or corrective declaration, as appropriate, in each year in which the reduction was applied. For these purposes, please refer to the [practical manual](#) corresponding to the affected tax period.

These self-assessments will generate late payment interest which, where applicable, will be settled by the Administration.

The corrective self-assessments corresponding to the 2025 tax year will be submitted within the period between the date of the advance disbursement and the end of the regulatory declaration period corresponding to the tax period in which the advance disbursement is made.

See, within Chapter 13, the section "Reductions for contributions and contributions to [social security systems](#)", as well as the section on "Reductions for contributions to the fixed-premium social security mutual fund for [professional and high-level athletes](#)".

Attention: If the amended return for the 2025 fiscal year corresponds to this circumstance, the taxpayer must mark the box with an "X". **[115]** from the "Corrected Self-Assessment" section of the declaration.

5. Disposition of assets or rights contributed to the protected assets of people with disabilities

Regulations: Art. 54.5 a) and b) Law IRPFABBR

Remember: *In those cases where the situation that motivates the regularization affects tax periods prior to 2024, consult the [practical manual](#) corresponding to the aforementioned tax period.*

The disposition of any asset or right contributed to the protected assets of persons with disabilities carried out in the tax period in which the contribution was made or in the following four tax periods has the following tax consequences:

The expenditure of money and the consumption of fungible goods integrated into the protected estate, when done to meet the vital needs of the beneficiary, should not be considered as a disposal of assets or rights and, therefore, the provisions of article 54.5 of the Law do not apply to it. IRPFABBR. However, for such a conclusion to be possible, given that the tax benefits are linked to the effective creation of assets, the latter must be created, which implies that, except in exceptional circumstances that the disabled person may be experiencing from time to time, the expenditure of money or fungible goods before four years have passed since their contribution should not prevent the creation and maintenance over time of the aforementioned protected assets.

a) In the contributing taxpayer of the IRPFABBR

The contributor must replace the reductions in the taxable base unduly made by submitting the corresponding corrective self-assessment for the 2025 tax year.

This self-assessment will generate late payment interest which, where applicable, will be settled by the Administration.

The corrective self-assessment for the 2025 tax year must be submitted within the period between the date of the provision and the end of the regulatory declaration period corresponding to the tax period in which the provision is made.

b) In the owner of the protected assets who received the contribution

The holder of the protected assets who received the contribution must include in their taxable base the part of the contribution received that they failed to include in the tax period in which they received the contribution as a result of the application of the exemption contained in letter w) of article 7 of the Law of IRPFABBR, by submitting the corresponding corrective self-assessment for the 2025 tax year.

This self-assessment will generate late payment interest which, where applicable, will be settled by the Administration.

Please note that the comment on the exemption corresponding to work income derived from contributions made to protected assets, as well as those derived from benefits obtained in the form of income by [people with disabilities](#) is made in Chapter 2.

The corrective self-assessment for the 2025 tax year must be submitted within the period between the date on which the provision occurs and the end of the regulatory declaration period corresponding to the tax period in which said provision is made.

c) If the contributor was a taxpayer of the Corporate Tax

In this case, a distinction must be made depending on whether the owner of the protected assets is an employee of the company or whether this status is held by one of his relatives, his spouse or the person in charge of him.

In the first case, the regularization, in the terms previously mentioned, must be carried out by the owner of the protected assets and, in the second case, said regularization must be carried out by the relative, spouse or person who is in charge of it and who is an employee of the company.

The employee who owns the protected assets must inform the employer who made the contributions of the provisions made during the tax period. When the provision has been made in the protected assets of relatives, spouses or persons in charge of workers under guardianship or foster care, the aforementioned communication must also be made by said worker.

Note: If the amended return for the 2025 fiscal year corresponds to this circumstance, the taxpayer must mark the box with an "X". **[116]** from the "Corrected Self-Assessment" section of the declaration.

6. Total or partial loss of the right to exemption for reinvestment in habitual residence and in new or recently created entities

Regulations: Art. 41.5 Regulations IRPFABBR

Remember: In those cases where the situation that motivates the regularization affects tax periods prior to 2024, consult the [practical manual](#) corresponding to the aforementioned tax period.

A corrective self-assessment for the 2025 tax year must be submitted when, after the application of the exemption for reinvestment of the capital gain derived from the transfer of the main residence or shares or holdings in newly or recently created entities, the right to said exemptions has been lost, totally or partially.

The loss of the right to the aforementioned exemption may occur as a result of:

- The reinvestment has not been made within the legally established period.
- Failure to comply with any other conditions that determine the right to the aforementioned tax benefit.

Precision: See, in this regard, within Chapter 11, the conditions and requirements that determine both the exemption of the capital gain obtained in the transfer of the [main residence](#) of the taxpayer for reinvestment in another main residence of the amount obtained from the transfer of the previous one, such as the exemption from the capital gain obtained from the transfer of [shares or stakes](#) for which the deduction for investment in newly created or recently created companies provided for in article 68.1 of the Law of IRPFABBR, when the amount obtained from the aforementioned transfer is reinvested in the acquisition of shares or stakes in another newly or recently created entity.

The corrective self-assessment for the 2025 tax year will be submitted within the period between the date on which the non-compliance occurs and the end of the regulatory declaration period corresponding to the tax period in which said non-compliance occurs.

In this case, late payment interest is settled by the tax management bodies.

The settlement period will be calculated from the end of the deadline for filing the declaration for the fiscal year to which the amendment refers until the payment date, provided that it has been made within the period provided for in the regulations indicated.

Note: If the amended return for the 2025 fiscal year corresponds to this circumstance, the taxpayer must mark the box with an "X". **[117]** from the "Corrected Self-Assessment" section of the declaration.

7. Loss of the right to exemption for reinvestment in annuities

Regulations: Art. 42.5 Regulations IRPFABBR

Remember: In those cases where the situation that motivates the regularization affects tax periods prior to 2024, consult the [practical manual](#) corresponding to the aforementioned tax period.

Failure to comply with any of the conditions established for the application of the exemption for reinvestment in life annuities, or the advance, in whole or in part, of the economic rights derived from the life annuity established, will determine the subjection to taxation of the corresponding capital gain.

In such a case, the taxpayer will attribute the non-exempt capital gain to the year in which it is obtained, making a corrective self-assessment for the 2025 tax year and will submit it within the period between the date on which the non-compliance occurs and the end of the regulatory declaration period corresponding to the tax period in which said non-compliance occurs.

This self-assessment will generate late payment interest which, where applicable, will be settled by the Administration.

Note: If the amended tax return for the 2025 tax year is due to this circumstance, the taxpayer must mark the box with an "X". **[118]** from the "Corrected Self-Assessment" section of the declaration.

8. Loss of exemption from certain remuneration in kind

Regulations: Art. 43.2.3 Regulations IRPFABBR

Remember: In those cases where the situation that motivates the regularization affects tax periods prior to 2024, consult the [practical manual](#) corresponding to the aforementioned tax period.

A corrective self-assessment for the 2025 tax year must be submitted when, after the application of the exemption, the active employees of the companies have lost the right not to consider as remuneration in kind the receipt of shares or holdings of the company for which they work, or of another company of the group, under the terms and conditions established in article 43 of the Regulation of IRPFABBR.

The loss of the exemption provided for in Article 42.3.f) of the Law of IRPFABBR It may occur as a result of having failed to comply with the maintenance period of said shares or holdings or any other of the requirements provided for in the aforementioned article.

For these purposes, please note that the conditions and requirements that must be met so that the delivery of shares or interests to active workers is not considered remuneration in kind are discussed in Chapter 3, within the section relating to " [Exempt employment benefits in kind](#) ".

The corrective self-assessment for the 2025 tax year must be submitted within the period between the date on which the requirement is not met and the end of the regulatory declaration period corresponding to the tax period in which said non-compliance occurs.

This self-assessment will generate late payment interest which, where applicable, will be settled by the Administration.

Note: If the amended tax return for the 2025 tax year is due to this circumstance, the taxpayer must mark the box with an "X". **[119]** from the "Corrected Self-Assessment" section of the declaration.

9. Loss of exemption from compensation received for dismissal or dismissal

Regulations: Art. 73.1 Regulations IRPFABBR

Remember: In those cases where the situation that motivates the regularization affects tax periods prior to 2024, consult the [practical manual](#) corresponding to the aforementioned tax period.

When, after the application of the exemption from severance pay or compensation for termination of employment, the right to such payment is lost, the corresponding self-assessment must be submitted. amended return for the year 2025.

The right to exemption will be lost if, within three years following the dismissal or termination of the employee, he or she returns to provide services to the same company or to another company linked to the former.

See, within Chapter 2, the requirements established for exemption from [compensation for dismissal or termination of the worker](#).

Self-assessment amended return for the year 2025 It must be submitted between the date on which the worker returns to work and the end of the regulatory declaration period corresponding to the tax period in which this circumstance occurs.

This self-assessment will generate late payment interest which, where applicable, will be settled by the Administration.

Note: *if the declaration amended return for the 2025 fiscal year If the taxpayer responds to this circumstance, they must mark the box with an "X". [120] from the section "Corrective self-assessment" of the statement.*

10. Repurchase of assets that have caused losses computed in the declaration

Regulations: Art. 73.2 Regulations IRPFABBR

Remember: *In those cases where the situation that motivates the regularization affects tax periods prior to 2024, consult the [practical manual](#) corresponding to the aforementioned tax period.*

In the cases provided for in article 33.5, letters e) and g) of the Personal Income Tax Law, when the taxpayer makes the acquisition of assets or homogeneous securities or shares not admitted to trading in any of the official secondary securities markets. defined in Directive 2014/65/ EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/ 92/ EC and Directive 2011/61/ EU , after the end of the regulatory deadline for declaration of the tax period in which the patrimonial loss derived from the transfer, you must regularize your tax situation.

See, within Chapter 11, the treatment of [capital losses arising from transfers of assets](#) when the same assets are repurchased within a certain period or, in the case of transfers of securities or shares, when homogeneous securities or shares are acquired.

To do this, you must submit the corresponding corrective self-assessment for the 2025 tax year within the period between the date of acquisition and the end of the regulatory declaration period for the tax period in which the repurchase of the asset takes place.

This self-assessment will generate late payment interest which, where applicable, will be settled by the Administration.

Note: *If the amended tax return for the 2025 tax year is due to this circumstance, the taxpayer must mark the box with an "X". [121] from the "Corrected Self-Assessment" section of the declaration.*

11. Loss of taxpayer status due to change of residence

Regulations: Articles 14.3 and 95 bis Law IRPFABBR, 63.2 and 121 Regulation IRPFABBR

Note: *In this case, the situation that motivates the regularization (loss of taxpayer status in 2025) necessarily affects tax periods prior to 2025 (the last year in which it had taxpayer status, if applicable, would be 2024). If it affects another tax period, please refer to the [practical manual](#) corresponding to the relevant tax period.*

The circumstances that give rise to the filing of a corrective self-assessment are the following:

a. In general

In the event that the taxpayer loses their status due to a change of residence, all income pending attribution, in accordance with the provisions of the first paragraph of article 14.3 of the Law of IRPFABBR, must be included in the taxable base corresponding to the last tax period that must be declared for the aforementioned tax.

To do this, a corrective self-assessment must be carried out, where appropriate, without penalty, late payment interest or any surcharge, within three months from the date the taxpayer loses their status due to a change of residence.

b. Transfer of residence to another Member State of the European Union

Furthermore, in accordance with the provisions of the second paragraph of Article 14.3 of the Law on IRPFABBR When the transfer of residence takes place to another Member State of the European Union, the taxpayer may choose to impute the outstanding income in accordance with the provisions of the preceding paragraph, or to submit, as each of the outstanding income items is obtained, an amended self-assessment without penalty, late payment interest or any surcharge, corresponding to the last period that must be declared by the IRPFABBR.

The self-assessment must be submitted within the declaration period for the tax period in which said income should have been imputed had the loss of taxpayer status not occurred.

c. Imputation of capital gains due to change of residence under Article 95 bis of the Law IRPFABBR

There is also, from 1 January 2015, the special case of regularization for imputation of capital gains due to change of residence when the circumstances provided for in the [Article 95 bis of the Law of IRPFABBR](#). The capital gains referred to in the aforementioned article must be included in the taxable base corresponding to the last period that must be declared by this taxpayer. IRPFABBR where applicable, a corrective self-assessment will be made, without penalty, late payment interest or any surcharge, within the declaration period of IRPFABBR corresponding to the first year in which the taxpayer did not have such status.

If the taxpayer opts for the application of the special provisions set out in the aforementioned Article 95 bis of the Law of IRPFABBR In the event of a change of residence to another Member State of the European Union, or of the European Economic Area with which there is an effective exchange of tax information, and any of the circumstances provided for in Article 95 bis.6.a) of the Law occur IRPFABBR that determine the obligation to self-assess the capital gain, the self-assessment will be submitted within the period between the date on which any of the circumstances referred to in article 95 bis.6.a) of the Law occur IRPFABBR and the end of the next period for filing personal income tax returns, or the period for filing personal income tax returns corresponding to the first year in which the taxpayer did not have such status as a result of the change of residence, if this was later.

Therefore, according to this last rule, when the taxpayer loses their status in 2025, the tax period to which the corrective self-assessment will correspond will be 2024, since it is the last period in which they have had the status of taxpayer of the IRPFABBR.

Note: *If the amended tax return for the 2025 tax year is due to this circumstance, the taxpayer must mark the box with an "X". [110] of the "Corrected Self-Assessment" section of the self-assessment, if it is motivated by having lost the status of taxpayer due to a change of residence (general case provided for in the first paragraph of article 14.3 of the Law of IRPFABBR); the box [111] If the reason is a change of residence to another Member State of the European Union and the taxpayer chooses to impute the outstanding income as it is obtained, in accordance with the provisions of the second paragraph of Article 14.3 of the Law of IRPFABBR and the box [112] if the corrective self-assessment is motivated by the occurrence of any of the circumstances provided for in article 95 bis of the Law of IRPFABBR.*

d. Loss of resident status of the partner who applied the tax deferral regime in spin-off, merger or absorption operations and exchange of securities when he transfers his residence to a Member State of the European Union or the European Economic Area

Regulations: Articles 80.4 and 81.3 LIS ; art. 14.3 Law IRPFABBR

In the case of individual partners who have applied the [special tax deferral regime](#) provided for in Chapter VII of Title VII of the LIS and lose their resident status in Spanish territory, will be included in the taxable base of IRPFABBR of the last tax period that must be declared for this tax, the difference between the market value of the shares or holdings received in the exchange or in the spin-off, merger or absorption operations, at the time of the change of residence, and their tax value (which is the acquisition value and age of the shares delivered), unless the shares or holdings are allocated to a permanent establishment located in Spanish territory.

Regarding the LIS see Law 27/2014, of November 27, on Corporate Tax.

Now, when the partner acquires residence in a Member State of the European Union or the European Economic Area with which there is an effective exchange of tax information under the terms set forth in the First Additional Provision of Law 36/2006, of November 29, on measures to prevent tax fraud, payment of the tax debt resulting from the application of the

above will be deferred by the Tax Authority at the request of the taxpayer until the date of transfer to third parties of the affected shares or participations, with the provisions of LGT and its implementing regulations applying, regarding the accrual of late payment interest and the establishment of guarantees for such deferral. If the amended return is due to this circumstance, the taxpayer must select this option in the "Amended Self-Assessment" section of the return.

Regarding the LGT see Law 58/2003, of December 17, General Tax Law (BOE December 18). It should also be noted that Additional Provision One of Law 36/2006, of November 29, on measures for the prevention of tax fraud, has been amended by Article Sixteenth. One of Law 11/2021, of July 9, on measures for the prevention and fight against tax fraud (BOE July 10).

Applicable surcharges

Regulations: Art. 27 LGT

It should be noted that, with the exception of the cases of corrective self-assessment previously discussed within "[Specific cases of Personal Income Tax](#)" of this section on corrective self-assessments, the income corresponding to the declarations **that are voluntarily submitted** after the end of the declaration period without prior request from the Tax Authority in this regard, will have a surcharge of a variable amount depending on the delay, excluding the penalties that, otherwise, could have been required.

The applicable surcharges are as follows:

- The surcharge will be a percentage equal to 1% plus an additional 1% for each full month of delay in the filing of the self-assessment or declaration with respect to the deadline established for filing and payment.

This surcharge excludes any penalties that may have been imposed and any late payment interest accrued until the self-assessment or declaration is submitted.

- If the self-assessment or declaration is submitted after 12 months have elapsed from the end of the deadline established for submission, the surcharge will be 15% and will exclude any penalties that may have been imposed.

In these cases, late payment interest will be charged for the period elapsed from the day following the end of the 12 months following the end of the deadline established for submission until the time when the self-assessment or declaration has been submitted.

All of this, without prejudice to the fact that the surcharge may be reduced by 25% of its amount in the cases and with the requirements provided for in article 27.5 of the LGT .

Regarding the LGT see Law 58/2003, of December 17, General Tax Law (BOE of December 18).

Delay	Applicable surcharge
Within one month following the end of the declaration period	1 in 100
Within 2 months of the end of the declaration period	2 per 100

Within 3 months of the end of the declaration period	3 per 100
Within 4 months of the end of the declaration period	4 per 100
Within 5 months of the end of the declaration period	5 per 100
Within 6 months of the end of the declaration period	6 per 100
Within 7 months from the end of the declaration period	7 per 100
Within 8 months from the end of the declaration period	8 per 100
Within 9 months from the end of the declaration period	9 per 100
Within 10 months of the end of the declaration period	10 per 100
Within 11 months of the end of the declaration period	11 per 100
Within 12 months of the end of the declaration period	12 per 100
More than 12 months	15% + late payment interest

ANNEX: Index by chapter of the diagrams and summary tables included in the Manual

Chapter 1. 2025 Income Tax Return Campaign

- **Who is required to file an income tax return for 2025?**

[Summary table: taxpayers not required to file](#)

- **Payment of personal income tax debt**

[Summary table: Payment methods available depending on the payment option chosen \(split or non-split\)](#)

- **Direct debit of payment**

[Summary table: Terms and conditions for making the direct debit and paying the debt according to the payment option chosen, split or non-split](#)

Chapter 2. General issues

- **Exempt income, article 7 of the Personal Income Tax Law**

- **Compensation for dismissal or termination of the employee**

[Summary table: exemption from compensation for dismissal or termination of the employee](#)

- **Scholarships**

[Summary table: Maximum annual economic endowment exempt from scholarships](#)

- **Other exempt income**

- [Summary table: Measures approved **exclusively for taxpayers who are holders of economic activities** as a result of the DANA that affect personal income tax: Royal Decree-Law 6/2024, of November 5, Royal Decree-Law 7/2024, of November 11, and Royal Decree 8/2024, of November 28](#)
- [Summary table: Approved measures **for all affected taxpayers in general** as a result of the DANA that affect personal income tax: Royal Decree-Law 6/2024, of November 5, Royal Decree-Law 7/2024, of November 11, and Royal Decree 8/2024, of November](#)

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- **Special tax regime applicable to workers posted to Spanish territory and their families**

[Summary table: scope and content of the regime](#)

Chapter 3. Earned income

- **Employment income by express legal provision**

[Table: contributions to protected assets of persons with disabilities](#)

Please note that this box includes content that also affects the following chapters:

- **Episode 2:** income exempt from article 7 of the Personal Income Tax Law for "[Income from work derived from benefits obtained in the form of income by persons with disabilities corresponding to contributions to protected assets](#)".
- **Chapter 13 :** "[Reductions in the general tax base for contributions to protected assets of persons with disabilities](#)".

- **Special rules for the assessment of work benefits in kind**

[Summary table: Use of housing by the employee](#)

[Summary table: delivery or use of motor vehicles](#)

[Table: Delivery of shares free of charge or at a price below the normal market price by the company to its employees](#)

- **Tax consideration of travel expenses and allowances**

[Summary table: Allowances for maintenance and living expenses exempt from taxation](#)

- **Net income from work to be included in the tax base**

[General outline: determination of reduced net labour performance](#)

[Summary table: reduction for work income with a generation period of more than two years or obtained in a notoriously irregular manner](#)

[Summary table: transitional regime: Reductions applicable to benefits received in the form of capital derived from private social security systems](#)

[Summary table: collective dismissals: exempt compensation, reduction for irregularity of 30% of the non-exempt amount and early redemption](#)

Please note that this table includes content that also affects the **Chapter 2** of this Manual in the section on exempt income of article 7 of the Law of IRPFABBR for "Compensation for dismissal or termination of employment" in the event of [collective dismissal](#).

[Summary table: reduction on gross employment income derived from artistic activities obtained exceptionally](#)

Chapter 4. Returns on capital assets

- [General outline: Determination of net income from real estate capital](#)
- [Summary table: Treatment of compensation for early termination of the lease contract](#)
- [Summary table: reductions for housing rentals under article 23.2 of the Law IRPFABBR applicable in 2025](#)

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- **General questions:**
 - [General outline: classification according to their integration into the tax base](#)
 - [Table: Classification of yields according to their origin](#)
- **Income from the transfer of own capital to third parties**
 - Determination of total yield: [Outline of the Fiscal Regime of the State Public Debt](#)
 - Determination of net income: [general outline](#)
- **Taxation of life or disability insurance contracts and capitalization operations**
[Summary table](#)

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- **Delimitation of the returns from economic activities**
[Table: tax qualification of the income obtained in the development of certain activities](#)
- **Assets assigned to an economic activity**
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Please note that this table includes content that also affects **Chapter 6** of the Handbook in the section "[Treatment of capital gains or losses arising from assets related to the exercise of economic activities](#)".

- **Method and modalities of determining the net income of economic activities**

- [Summary table: methods and modalities of determining the net income of economic activities: direct estimate](#)
- [Summary table: methods and modalities of determining the net income of economic activities: objective estimate](#)

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[Summary table](#)

Chapter 7. Income from economic activities. Direct estimation method

- **Phase 1. Determination of net income**

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[Amortization: linear amortization coefficients table](#)

[Amortization: simplified amortization table](#)

- **Summary table of all phases:**

[Calculation of net income to be included in the tax base in EDN and EDS](#)

Chapter 8. Returns from economic activities in objective estimation (I) (Activities other than agricultural, livestock and forestry)

- **Activities included in the 2025 fiscal year under the objective estimation method**

[List of activities with the indication of the Group or heading of the Tax on Economic Activities \(IAE\) that corresponds to it and the signs or modules provided for each activity](#)

- **Determination of reduced net income**

[General outline: determination of reduced net income](#)

- **Appendix: Annual returns per module unit before amortization applicable in the year 2025**

[Modules applicable to each of the activities, included in Annex II of Order HAC/1347/2024, indicating their corresponding heading in the Economic Activities Tax \(IAE\)](#)

Chapter 9. Returns on economic activities in objective estimation (II) (Agricultural, livestock and forestry activities)

- **Agricultural, livestock, forestry and natural product processing activities to which the objective estimation method is applicable in 2025**

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- **Determining the amount of capital gains or losses: specific valuation standards**

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- **Declaration and taxation of capital gains and losses**

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- **Excesses of adjudication in the extinction of the condominium :**

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 - [Constitution of usufruct](#)
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 - [Summary table: reductions for compensatory pensions and food annuities](#)

Please note that this box includes content that also affects the following chapters:

- **Chapter 2** : income exempt from article 7 of the Personal Income Tax Law for “ [Annuities for child support](#) ”.
- **Chapter 3**: work income by express legal provision for “ [Compensatory pensions received from the spouse and alimony annuities](#) .”
- **Chapter 15** : specialties in determining the full state and regional quota for “ [Annuities for child support](#) ”.

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- [Table: judicial separations, divorces or annulments \(with children\): Joint taxation and application of the minimum for descendants](#)

Chapter 15. Tax calculation: determination of full quotas

[Graphic scheme: Application of personal and family minimum and determination of full contributions](#)

Chapter 16. General deductions from the tax liability in the fiscal year 2025

- **Scheme of applicable deductions**

[Graphic diagram of the application on the amount of the full quotas of the general and autonomous deductions](#)

- **Deductions for incentives and stimuli to business investment in economic activities in direct estimation**
 - General regime and special regimes of deductions for incentives and stimuli to business investment of the Corporate Income Tax Law
 - [Table: general deduction regime](#)
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 - Special regime for business investments in the Canary Islands
 - [Summary table: deductions for investments in the Canary Islands](#)
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- **Determination of the net quota, differential quota and quota resulting from the declaration**

[Graphic diagram of operations for determining the net rate, differential rate and the result of the declaration](#)

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- **Tax return result**

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Regulations

State regulations have opted for the link to **consolidated text** of the BOE, as a document that is part of the **original text** of the standard the **modifications and corrections** that it has had since its origin. However, if there is no consolidated text, this condition will be specifically indicated in the affected regulations.

In addition to the **latest consolidated and updated text** of the main regulations of the legal system, the **intermediate versions** that correspond to each of the modifications that it has undergone over time, the State Agency Official Gazette offers.

Each time a consolidated standard is subject to a subsequent modification, a notice appears in the consolidated text of the BOE below the list of versions, indicating that the latest update is in process. The time between publication in the BOE of the modification and the preparation of a new consolidated version that incorporates it is usually between 1 and 3 business days, according to the BOE website.

Warning : *To determine the applicable regulations in 2025, take into account, in the consolidated text, the entry into force and the dates from which the modifications introduced in the various articles and provisions take effect.*

Basic state regulations

Ley 35/2006, de 28 de noviembre,
del Impuesto sobre la Renta de las Personas Físicas y de modificación parcial de las leyes de los Impuestos sobre Sociedades, sobre la Renta de no Residentes y sobre el Patrimonio. (BOE, 29-noviembre-2006)

Real Decreto 439/2007, de 30 de marzo,
por el que se aprueba el Reglamento del Impuesto sobre la Renta de las Personas Físicas y se modifica el Reglamento de Planes y Fondos de Pensiones, aprobado por Real Decreto 304/2004, de 20 de febrero. (BOE, 31-marzo-2007)

Orden HAC/1347/2024, de 28 de noviembre,
por la que se desarrollan para el año 2025 el método de estimación objetiva del Impuesto sobre la Renta de las Personas Físicas y el régimen especial simplificado del Impuesto sobre el Valor Añadido. (BOE, 30-noviembre-2024)

Real Decreto-ley 6/2024, de 5 de noviembre,
por el que se adoptan medidas urgentes de respuesta ante los daños causados por la Depresión Aislada en Niveles Altos (DANA) en diferentes municipios entre el 28 de octubre y el 4 de noviembre de 2024. (BOE, 06-noviembre-2024)

Real Decreto-ley 7/2024, de 11 de noviembre,

por el que se adoptan medidas urgentes para el impulso del Plan de respuesta inmediata, reconstrucción y relanzamiento frente a los daños causados por la Depresión Aislada en Niveles Altos (DANA) en diferentes municipios entre el 28 de octubre y el 4 de noviembre de 2024. (BOE, 12-noviembre-2024)

Disposición adicional septuagésima de la Ley 31/2022, de 23 de diciembre, de Presupuestos Generales del Estado para el año 2023. (BOE, 24-diciembre-2022)

Consolidated regulations as of December 31, 2025

The following are the texts of Law 35/2006, of November 28 (BOE of November 29), and the Regulation approved by Royal Decree 439/2007, of March 30 (BOE (as of March 31), in its consolidated version, updated to December 31, 2025.

This version reflects the regulations applicable to the 2025 tax period, including all current legal and regulatory changes.

[Law 35/2006, of November 28 \(940 KB - pdf \)](#)

[Royal Decree 439/2007, of March 30 \(1685 KB - pdf \)](#)

Regional regulations in relation to personal income tax (legal provisions)

To consult the regional regulations, you must access Part 2 of this Practical Manual, dedicated to the deductions approved by the different Autonomous Communities. You can do so via the following [link](#).

Glossary of abbreviations

1. : European Union
2.) that correspond to the consumption of supplies for the taxpayer's own home,: etc
3. ,: etc
4. , modification and deregistration in the register of non: Ministry of Finance
5. , on Urban Leases (BOE of November: Official State Gazette
6. ADI: All-in-One Digital Administration
7. AEAT: State Revenue Office
8. AIE: Economic interest groupings
9. AJD: Documented legal acts
10. Art.: Article
11. Articles: Articles
12. BEV: Battery electric vehicle
13. BI: Taxable base
14. BOE: Official State Gazette
15. BOPA: Official Gazette of the Principality of Asturias
16. BOR: Official Gazette of La Rioja
17. CAP: Common Agricultural Policy
18. CE: European Community
19. CNMV.: Comisión Nacional del Mercado de Valores (Spanish securities market regulator)
20. CVF: Fiscal Horsepower
21. DA: Additional Provision
22. DNI: National ID Card
23. DT: Transitional provision
24. EC: European Community
25. EDN: Direct Normal Estimate

- 26. EDS: Simplified Direct Estimation
- 27. EEA: European Economic Area
- 28. EEC: European Economic Community
- 29. EHA: Ministry of Economy and Finance
- 30. EO: Objective Estimate
- 31. ERE: Record of employment regulation
- 32. EREV: Extended range electric vehicles
- 33. ERTE: Temporary employment regulation file
- 34. ES: Corporation Tax
- 35. ET: status of workers
- 36. ETD: Ministry of Economic Affairs and Digital Transformation
- 37. EU: European Union
- 38. FCHV: Fuel cell hybrid electric vehicle
- 39. FCV: Fuel cell electric vehicle
- 40. FOM: Ministry of development
- 41. HAC: Ministry of Finance
- 42. HAP: Ministry of the Treasury and public administrations
- 43. HFP: Ministry of Finance and Civil Service
- 44. HTML: Hyper Text Markup Language
- 45. IAE: Economic Activities Tax
- 46. IBAN: International Bank Account Code
- 47. IBI: Property tax
- 48. ID card: National ID Card
- 49. IEDMT: Special Tax on Certain Means of Transport / Registration Tax
- 50. IGIC: Canary Island Indirect Tax
- 51. IMSERSO: Pensioners and Social Services Institute
- 52. INSS: National Social Security Institute

- 53. INT: Ministry of Interior
- 54. IP: Wealth Tax
- 55. IPREM: Public Indicator of Multiple Effects Income
- 56. IRNR: Income tax for non-residents
- 57. IRPF: Personal Income Tax
- 58. IRPFABBR: Personal Income Tax
- 59. IS: Corporation Tax
- 60. IS taxpayers: Corporation Tax
- 61. ISD: Inheritance and Donations Tax
- 62. ISD Regulations: Inheritance and Donations Tax
- 63. ISFAS: Social Institute of the Armed Forces
- 64. ITP: Property Transfer Tax
- 65. ITPAJD: Tax on Patrimonial Transmissions and Documented Legal Acts
- 66. ITPAJD Law: Tax on Patrimonial Transmissions and Documented Legal Acts
- 67. IVAABBR: Value Added Tax
- 68. Income Tax: Personal Income Tax
- 69. Kwh: kilowatt hour
- 70. LAU: Urban lease law
- 71. LGSS: General Social Security Law
- 72. LGT: General Tax Act
- 73. LIS: Corporation Tax Act
- 74. MUFACE: General Mutual Fund for Civil Servants of the State
- 75. MUGEJU: General Judicial Mutual Fund
- 76. NGO: Non Governmental Organization
- 77. NIE: Foreign Identification number
- 78. NIF: Tax ID Number (NIF)
- 79. NRC: Complete Reference Number

- 80. No.: number
- 81. OECD: Organization for Economic Cooperation and Development
- 82. OJEU: Official Journal of the European Union
- 83. ONCE: Spanish National Organisation for the Blind
- 84. ONCE Foundation: Spanish National Organisation for the Blind
- 85. ONCE coupon: Spanish National Organisation for the Blind
- 86. PCM: Ministry of the Presidency, Relations with the Parliament and Democratic Memory
- 87. PDF: Portable Document Format
- 88. PGC: General accounting plan
- 89. PHEV: Plug-in hybrid electric vehicle
- 90. PIAS: Individual systematic savings plan
- 91. PJC: Ministry of the Presidency, Justice and Relations with the Courts
- 92. Personal Income Tax: Personal Income Tax
- 93. Personal Income Tax Law: Personal Income Tax
- 94. REAGP: Special regime for agriculture, livestock and fisheries
- 95. RED: Official Jurisprudence Directory
- 96. REEV: Extended range electric vehicle
- 97. RETA: Special System for Self-Employed Workers
- 98. RETM: Special regime of the sea workers
- 99. RGAT: General Regulations on the Actions and Procedures for Tax Management and Inspection and the Development of...
- 100. RIB: Special tax regime of the Balearic Islands
- 101. RIC: Canary Islands Investment Reserve
- 102. RNT: Net work performance
- 103. ROJ: Official Jurisprudence Directory
- 104. RT: Earned income
- 105. SA: Anonymous society

- 106. SEPA zone: Single Euro Payments Area
- 107. SICAV: Variable Capital Investment Companies
- 108. STC: Judgment of the Constitutional Court
- 109. STS: Supreme Court ruling
- 110. TEAC: Central Economic Administrative Court
- 111. TR: Refunded text
- 112. TRLIRNR: Revised Text of the Non-Resident Income Tax Law
- 113. TRLIS: Revised Text of the Corporate Income Tax Law
- 114. TRPFP: consolidated text of the Law on the Regulation of Pension Plans and Funds
- 115. TS: Supreme Court
- 116. UNESCO: United Nations Educational, Scientific and Cultural Organization
- 117. UTE: Temporary joint ventures
- 118. VC: cadastral value
- 119. cm³: cubic centimetres
- 120. dm²: square decimeter
- 121. etc: etc
- 122. etc.: etc
- 123. ff: following
- 124. income attribution regime (civil companies that are not taxpayers of Corporate Tax, unclaimed inheritances, community property, etc)
- 125. kW: kilowatt
- 126. kWh: kilowatt hour
- 127. kg: kilogram
- 128. km: kilometres
- 129. km/h: kilometers hour
- 130. m²: square meter
- 131. nec: not included elsewhere

- 132. no.: number
- 133. not applicable for assets: etc
- 134. number: number
- 135. number.: number
- 136. of: European Community
- 137. pdf: PDF file
- 138. ss: following
- 139. valid ID: National ID Card
- 140. Σ : summary

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