



Agencia Tributaria

Statistic of Personal Income Tax Annual Return Submitters by municipalities

Launching Note



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This Stat intends providing scholar researchers, Public Administrations and all citizens with a view on one of the economic subjects which arouses both more interest and statistical information requests: the knowledge of income distribution at a local level.

While there are currently some stats offering information about it, the improvement and preponderance of this new product appears to be obvious. In the first place, its broader territorial scope allows to show aggregate data from the whole of the nearly 7,600 municipalities included in the Common Fiscal Territory (TRFC, which does not include Basque Country and Navarre, with their own fiscal regime) and, particularly, exhaustive data of the 3,000 municipalities with population higher than 1,000 inhabitants.

In the second place, this release adds to the published Statistic by items of Personal Income Tax annual return submitters a measure of gross income, whether it is subject to the tax or not, including exempted income, whose data cannot be found in the annual return. It has to be considered that tax law enforces a set of fiscal adjustments and conventions (legal reliefs, personal and family minimums, deductible expenses, real state income allocations and rules of assessment). These alterations distort the concept of income in an economic sense. Furthermore, as exempted income and some allowances are not taxable (permanent inability, severance payments, disability, aids for dependants) they are not included in the annual return (though they are income reported to Spanish Tax Agency and they can be found in income allocation files from which fiscal data are taken from) so that gross income comes out underestimated.

In order to amend both restrictions, the Statistic of Personal Income Tax (PIT) annual return submitters by Municipalities (EDM) offers a complete prospect (income subject to tax as much as exempted income) on submitters personal gross income (before reliefs, minimums and deductible expenses are subtracted). In this way, it can be checked out, for instance, that TRFC average income, following returns data, were up to €24.517 in 2013, 29,85% above the average net taxable base (€18.881). In turn, an average disposable income estimate is available as well. It is worked out by subtracting the final net tax liability and the employees' social contributions from gross income figure assessed in annual returns.

This approach allows the access to an economic power measure free from distortions and more timeless and steady, since it would not be affected by changes made in the tax base definition each fiscal year.



The data sources used in EDM are Form D-100, related to PIT annual return, and Form 190 containing a yearly summary of withholdings and payments-on-account linked to exempted income. The different constituents of the personal gross income are displayed in the Stat (earned income, interests and dividends, real properties income, business activities income, other income, net capital gains and exempted income). This release includes as well the figure of each main annual return item clustered by different geographical levels: national and by Autonomous Community, on one hand, and (this is the novelty) by Province or Municipality with a population higher than 1,000 inhabitants, on the other hand. In addition, the stat lets the users to have access to outcomes that groups all the municipalities of an Autonomous Community or Province, belonging to the common fiscal territory, selected by the population size (using the official data of the Public Register of Population worked out by the National Statistics Institute).

It has to be reminded that PIT annual returns comprise the whole income received by every fiscal family member in the year of accrual. Therefore, the average income by return cannot be understood neither as an average personal income, nor as an average household/family income because it will vary depending on the option of taxation chosen (single/aggregate). Nonetheless, the stat includes additional information about the total number of holders submitting returns (only one for individual returns or single-parent families returns and two for married couples returns) in order to approach to the total number of PIT adult taxpayers.

The content is divided into three blocks comprising the following statistical tables:

- **Block I, Stat by Territory**
 - Gross income and disposable Income by Autonomous Community, Province and population size.
 - Economic and tax data by Autonomous Community, Province and population size.
 - Family situation.

- **Block II, Comprehensive info about municipalities with population higher than 1.000 inhabitants**
 - Ranking position by average gross income of Municipalities with population higher than 1,000 inhabitants.
 - Local Data following territorial scope and population size.
 - Municipalities Data in alphabetical order.

- **Block III, Stat on PIT items by municipalities**
 - Number of returns by Town.
 - Items Figures by Town.
 - Number of returns and figures of some items (general taxable base and savings taxable base, general net taxable base, net reduced earnings income, net businesses income according to their taxable scheme, State tax liability and net tax liability, final annual return outcome and State & Autonomous Communities deductions/allowances) displayed by base bands (brackets).



- Attachment: Annual Return items list.

Some novel information is comprised too, as the total number of children included in the return, the number of returns with children and the submitting ratio (ratio of total number of holders submitting annual returns per number of inhabitants in a territory, multiplied by 100). This ratio cannot be figured out as a territorial compliance indicator, because its local variations can be explained according to demographic features (it will be lower as the proportion of minors & retirees or of those non-compelled to submit returns & non-residents is higher).

It is expected to draw an especial attention the higher than 1,000 inhabitants municipalities ranking by average gross income level, sorted in absolute position inside the State/Autonomous Community. A double chance to do a municipality search is available: alphabetical order or browsing from Autonomous Community/Province and displaying Towns of each Province.

Each datum and each disaggregation shown in EDM Tables will only be available when referred to a minimum, necessary and enough number of views made in order to guarantee and keep safe statistical secrecy and taxpayers' confidentiality.

An attachment included in Methodology Section shows the matching of each of the constituents of the income (gross and disposable) with the specific items of the annual return or of the withholdings annual summary used to work them out.