



PROPERTY TAXES

Property in Spain Guide

Residents vs. Non-Residents

Important Legal Disclaimer: *Only for informative purposes.*

- *While we strive for accuracy, please be aware that content may be incomplete.*
- *Spanish tax laws are updated regularly and vary significantly depending on your Autonomous Community.*

We strongly recommend verifying your specific financial situation with a qualified Spanish tax advisor (gestor) and the Tax Agency.

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The Ultimate Spanish Property Tax Blueprint

A Comprehensive Compliance Guide for Resident & Non-Resident Homeowners

Owning real estate in Spain is a rewarding investment, but navigating the Spanish tax landscape can be remarkably challenging. This blueprint consolidates your primary obligations—comparing Resident (IRPF) and Non-Resident (IRNR) systems, explaining local taxes (IBI), outlining Wealth Tax implications, and providing an actionable compliance checklist.

Phase 1: Determining Your Fiscal Residency Track

Before executing any tax filings, you must establish your formal tax residency status in Spain. The Spanish Tax Agency (*Hacienda*) applies two primary rules to determine whether you fall under the Resident Track or the Non-Resident Track:

1. The 183-Day Rule

- **Resident Track (IRPF):** You spend more than 183 days in Spain during a single calendar year (including sporadic absences).
- **Non-Resident Track (IRNR):** You spend 183 days or fewer in Spain during a single calendar year.

2. The Economic Center Rule

- **Resident Track (IRPF):** Your primary professional activities or economic interests are based explicitly in Spain.
- **Non-Resident Track (IRNR):** Your main economic and professional core remains outside of Spanish territory.

3. Tax Scope

- **Resident Track (IRPF): Worldwide Income.** You are subject to Spanish tax on all income and assets owned globally. Your real estate activities are integrated directly into your annual Personal Income Tax declaration (**Modelo 100**), submitted between April and June of the following year.
- **Non-Resident Track (IRNR): Spanish-Sourced Income Only.** You are subject to tax exclusively on assets and income generated within Spanish territory. You must file property-related taxes separately via **Modelo 210**.

Phase 2: Annual Costs of Property Ownership

Spanish real estate incurs continuous tax liabilities, regardless of whether the property is kept purely for personal summer holidays or placed onto the short-term rental market.

1. Imputed Income Tax (*Renta Imputada*)

If your property remains empty, vacant, or reserved exclusively for personal use, you must pay an annual "Phantom Rent Tax." The Spanish state legally assumes you derive a baseline financial benefit simply by having the home at your disposal. The tax base is calculated using the property's **Cadastral Value** (*Valor Catastral*), which is displayed clearly on your municipal IBI bill:

- **Base formula A:** $\text{Valor Catastral} \times 1.1\%$ (if the values were updated by the municipality in the last 10 years).
- **Base formula B:** $\text{Valor Catastral} \times 2.0\%$ (if the values have not been updated in the last 10 years).

Resident Track (IRPF / Modelo 100): Declare the pro-rated percentage of this imaginary income directly on their annual IRPF return for any secondary or holiday homes.

You must navigate to the *Bienes Inmuebles* (Real Estate) section.

- **The Setup:** You first declare the real estate data (such as the *Referencia Catastral* and your ownership percentage). You must enter the exact number of days the property was at your personal disposal in **Box 0085**.
- **The Result:** The platform will automatically calculate the phantom tax, placing your total personal imputed income in **Box 0089**. The sum of all your real estate imputations will consolidate in **Box 0155**.

Non-Resident Track (IRNR / Modelo 210): Pay a flat tax rate on this base via **Modelo 210**. The rate is **19%** for EU/EEA residents and **24%** for Non-EU residents (including the UK, US, Canada, and Switzerland). The deadline is **December 31st** of the following year.

Because Modelo 210 is a multi-use form, you must tell the system exactly what you are filing by using code grouping identifiers.

- **The Setup:** In the mandatory **Box 02 (Tipo de Renta)**, you must input **Code 02** (which tells Hacienda this form is strictly for *Renta Inmobiliaria Imputada*).
- **The Calculation:** You calculate your pro-rated phantom base and place that amount directly into the **Base Imponible** box (historically **Box 28** or **Box 04** depending on the specific digital submission interface version).

2. Rental Income Tax (The Great Divide)

If you choose to rent out your property, you face a significant division depending on your country of residence:

- **EU / EEA Residents:** * **Rate:** Flat **19%** on net income.

The Setup: In the property breakdown section, you must input the total number of days the home was rented out into **Box 0101**.

- **Declaring Income:** All raw rental earnings from tenants must be entered into **Box 0102** (*Ingresos íntegros*).
- **Deductions:** Allowed. You can deduct proportional expenses during the rented days (e.g., mortgage interest, community fees, IBI, utility bills, maintenance, insurance, and marketing costs). You can input operational expenses like repairs (**Box 0193**) and utilities/supplies (**Box 0194**). Your total net yield will calculate automatically into **Box 0149**, and the final taxed amount settles into **Box 0156**.

- **Non-EU Residents (UK, US, Canada, etc.):** * **Rate:** Flat **24%** on gross income.

The Setup: In **Box 02** (*Tipo de Renta*), you must input **Code 01** (which officially stands for *Rendimientos de capital inmobiliario* / Rental Income).

- **Declaring Income:** For non-EU residents, your gross income goes directly into the **Base Imponible** box. For EU residents, you insert your *net* income here after manually subtracting your qualified expenses (using the specific expenses sub-schedule attached to the form).
- **Deductions:** Zero deductions allowed. You are legally prohibited from deducting any maintenance or operational expenses. Tax is applied straight to gross revenue.

Filing Update: Non-residents reporting rental income no longer suffer through complex quarterly filings. You can now group your rental earnings into a single, streamlined **annual declaration** via Modelo 210, submitted between **January 1st and January 20th** of the following year.

3. Municipal Property Tax (IBI)

The *Impuesto sobre Bienes Inmuebles* (IBI) is Spain's equivalent to local council rates. Paid annually to the local Town Hall (*Ayuntamiento*), this tax applies universally to residents and non-residents alike.

- **Payment Protocol:** Always set up a direct debit (*domiciliación bancaria*). Municipalities rarely mail warnings abroad, and missed deadlines trigger instantaneous 5% to 20% surcharges.
- **The Empty Home Surcharge Myth:** Recent legislation permits town halls to add a 50% to 150% surcharge on long-term vacant homes. However, this is structured for institutional "large holders" owning 4+ empty residential properties. Regular vacation homes are legally exempt.

Case Studies: Regional IBI Benchmarks

Since the IBI calculation depends completely on the **Cadastral Value** (*Valor Catastral*)—which is determined by location and age of building, and is usually significantly lower than market value—we will assume a standardized, middle-tier cadastral value of **€100,000** for a standard 90m² apartment in these major hubs.

To illustrate how localized tax coefficients impact your annual costs, consider this comparative projection for a typical 90m² apartment with an assumed standardized *Valor Catastral* of **€100,000**:

City / Municipality	Municipal Tax Coefficient	Estimated Annual IBI Bill
Madrid	0.414%	€414
Málaga	0.451%	€451
Valencia	0.578%	€578
Barcelona	0.660%	€660

Crucial Technical Context for Owners:

- **The Valuation Variance:** A 90m² apartment in a premium district (like *Salamanca* in Madrid or *Eixample* in Barcelona) will carry a significantly higher baseline *Valor Catastral* than the same size apartment in a working-class neighborhood. Therefore, the actual bill can fluctuate significantly based on exact neighborhood codes.
- **The "Tax Haven" Cities:** Madrid and Málaga explicitly utilize highly competitive, lower IBI tax brackets to attract foreign residential investments, whereas cities like Barcelona maintain a structurally higher tax pressure on the exact same size real estate profile.
- **Bonuses to Look Out For:** Check for local reductions. Many of these town halls grant an immediate **3% to 5% discount** on the bill just for putting the IBI payment on a direct debit (*domiciliación bancaria*), plus temporary discounts of up to 50% for properties installing solar panels.

Phase 3: The Luxury Thresholds (Wealth & Solidarity Taxes)

High-value summer assets may expose you to wealth tracking mechanisms if your total property holdings cross key financial limits.

- **Wealth Tax (*Impuesto sobre el Patrimonio*):** Residents are evaluated on worldwide net assets, while non-residents are evaluated strictly on their Spanish real estate value. The general national tax-free exemption stands at **€700,000** per person, though autonomic regions alter this heavily (e.g., Madrid and Andalusia provide a 100% rebate, whereas Valencia protects up to €1,000,000).
- **Solidarity Tax (ISGF):** To counteract regional tax breaks, the federal government levies a Solidarity Tax on net fortunes exceeding **€3,000,000**, creating a universal baseline for high-net-worth real estate owners.

Phase 4: The Ultimate Non-Resident Property Checklist

Use this operational framework to maintain flawless tax compliance from your laptop at home.

- **[] Obtain a Digital Certificate (*Certificado Digital*):** Apply via the FNMT website and verify your identity in person at a Spanish Consulate or local tax office. This serves as your remote identity portal.
- **[] Secure the 10-Day Notification Alerts:** Link your digital certificate to the DEHú portal. Hacienda considers digital notifications legally "served" after 10 calendar days, even if unopened. Set up email or SMS alerts instantly.
- **[] Direct Debit Local Taxes:** Link your Spanish bank account directly to the Ayuntamiento for annual IBI and rubbish collection fees (*Tasa de Basura*).
- **[] Track the Hybrid Calendar Split:** If renting out part-time, log the exact days the property was occupied by tenants vs. held for personal use to pro-rate your annual imputed vs. rental tax bases perfectly.
- **[] Appoint a Fiscal Representative:** If you do not plan on maintaining an active digital certificate, officially designate a local professional (*Gestor*) to manage your electronic mailbox and counter arbitrary audits.