



# Non resident income tax for Spanish property owners

If you have non-resident status in Spain and own Spanish property, you will be liable to a number of taxes including Spanish non resident income tax, local property taxes (IBI and waste tax) and possibly wealth tax (depending on the value of your Spanish assets).

This article will focus on the "income tax" position for non resident property owners.

## NIE tax number and fiscal representation

In Spain each person is assigned a tax identification number and this must be used on tax returns and for any communications with the Tax Authorities. For foreigners the number is known as a NIE number. NIE stands for "numero de identificacion de extranjero" (which translated means foreigner's identification number).

In relation to fiscal representation, there is generally no obligation to appoint a fiscal representative other than for those resident in countries or territories with no effective exchange of tax information with Spain. It is still possible to appoint a fiscal representative even if you are not required to do so.

## 210 Tax Return

This tax return is for non residents who have no permanent establishment in Spain (effectively non residents with no trading activity), but with other type of Spanish income such as imputed rental income or actual rental income.

If the Spanish property in question is owned by multiple owners separate returns must be submitted by each owner, as each owner is a separate taxpayer.

## Imputed income of Spanish Property - Property for own use

The Spanish tax authorities apply an imputed income for non residents owning a Spanish property for their personal use.

Imputed income is based on 1.1% of the "valor catastral" (cadastral value of the property) or 2% of the "valor catastral" if no re-valuation has taken place in the last 10 taxable periods.

The tax is calculated proportionately therefore, if the property was owned part way through the year or the property was rented at some point during the year then the tax will be calculated based on the days of ownership or availability to the owner and not the full year.

Once you have calculated the imputed income you then calculate the tax applicable by applying the non residents tax rate, as follows:

Residency	EU/Icelandic/Norwegian (non blacklisted)	Non EU resident
Tax rate	19%	24%

## Submission of the return and payment of tax

By paper, prepared on the Spanish tax authorities website then printed with its own unique bar code or prepared electronically online and submitted electronically.

If prepared using the paper route, the return is submitted at a qualifying bank and payment is also made at the bank on submission.

## Deadline

During the calendar year following the tax year in question.

## Income tax for non residents renting their Spanish property

Rental income for non residents is generally calculated based on the gross rental income received, without the deduction of any expenses.

However, in the case of taxpayers resident in another non black listed EU Member State, they are able to deduct the costs as allowed in Spanish income tax law, provided that the expenses are directly related to the generation of the income.

In order to obtain this deduction for expenses, the EU based property owner will need to obtain a tax residency certificate in their country of residence.



The rental income is deemed to be paid when it is due to the landlord or paid to the landlord (which ever is earlier).

The tax rate is the same as for imputed income:

<b>Residency</b>	EU/Icelandic/Norwegian (non blacklisted)	Non EU resident
<b>Tax rate</b>	19%	24%

This article has been prepared to help any non resident property owners understand one of their main tax obligations, if you need further information or professional help in the preparation of your tax return please do not hesitate to write to me directly at [francesco@foresightconsultancy.com](mailto:francesco@foresightconsultancy.com).

The 210 tax return form needs to be completed for each different source of income, but it is possible to group income together for the same taxpayer under the following circumstances: the income must be the same type of income, it must be from the same payer (i.e. same tenant for rental income), is liable to the same tax rate and also, if the income is derived from an asset or right, then this income is derived from the same asset or right.

The return needs to be submitted quarterly if the returns results in a tax liability or annually if a zero return.

## Submission of the return and payment of tax

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If prepared using the paper route, the return is submitted at a qualifying bank and payment is also made at the bank on submission.

## Deadline

This depends on the outcome of the return:

- Returns with tax payable: the first 20 natural days of April, July, October and January based on the income generated in the previous quarter.

For those paying via bank transfer (for those filing online), the tax is due between the 1st and 15th of April, July, October and January.

- Zero returns: 1 to 20 January in the following year where the income was generated.