



Key Spanish tax changes 2024

2024 brings significant tax changes affecting individuals, self-employed, and businesses based in Spain.

The changes in 2024 include:

- The return of Wealth Tax in Madrid and Andalusia
- Foreign Cryptocurrencies Reporting
- Inheritance Tax reduced or removed in the other regions of Spain
- Self assessment tax returns for all Self-Employed Individuals
- Self employed - Module System Changes
- Income tax rental deduction changes
- Payroll Tax Increase
- Reporting Online Platform Sales
- Energy Efficiency Renovation Deduction Extension
- Electric Vehicle Deduction
- Minimum 15% Tax for Multinationals and Large Groups

The return of Wealth Tax in Madrid and Andalusia

From 2024, it is proposed that residents in Madrid and Andalusia will resume paying Wealth Tax on wealth exceeding €3.7 million, (the intention being to keep this tax revenue within the autonomous regions rather than handing this revenue over to the central Government via the solidarity tax).

Foreign Cryptocurrencies Reporting

From 1st January 2024, taxpayers (both Spanish resident individuals or Spanish Companies) must report foreign crypto currencies with a value of €50,000 or more to the Spanish Tax Office using the 721 tax return.

Inheritance Tax reduced or removed in the other regions of Spain

Residents in the Balearic Islands, La Rioja, Aragon, and Valencia will either pay no or substantially reduced Inheritance and Gift Tax from 2024.

Self assessment tax returns for all Self-Employed Individuals

From 2024, anyone registered as Self-Employed or under the Special Social Security Regime for Sea Workers must submit a self assessment income tax return, regardless of income. (Previously, only self-employed individuals earning over €1,000 annually had to submit a return).



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Self employed – Changes (For self-employed in module System)

The government eliminates the extraordinary 10% reduction in income tax for self-employed individuals using the objective estimation system (module system). The reduction is reduced to 5%, returning to pre-pandemic levels.

Income tax rental deduction changes

From 1st January 2024, the deduction available for residential property rentals decreases from 60% to 50% of net income.

This reduction applies to new rental contracts only as existing rental contracts (signed before 31st December 2023), as still able to apply the 60% deduction in their tax returns.

There is an additional reduction of 90% deduction for landlords lowering rents by 5%, a 70% reduction for first-time renters aged 18 to 35 in difficult areas and a 60% deduction for rehabilitated properties.

Payroll Tax Increase

In 2023 there was an increase of 0.6%, with 0.5% payable by the employer and 0.1% by the employee.

In 2024, the rate increases to 0.7%, with 0.58% payable by the employer and 0.12% by the employee. The tax rate will increment by 0.1% annually until reaching 1.2% in 2029, remaining in effect until 2032.

Reporting Online Platform Sales

Digital platforms, including Ebay, Wallapop, Airbnb, Amazon or Vinted, must report user sales transactions to the tax authorities from 2024, if they exceed €2,000 a year or exceed 30 transactions or 2,000 euros annually.

Energy Efficiency Renovation Deduction Extension

The 60% income tax deduction on amounts invested in energy-efficient renovations in residential buildings is extended until 31st December 2024.

Electric Vehicle Deduction

Individuals purchasing a plug-in electric or fuel cell vehicle between 30th June 2023 and 31st December 2024, can apply a 15% income tax deduction (based on the acquisition value up to €20,000).

Minimum 15% Tax for Multinationals and Large Groups

From 2024, multinational companies and large groups with an annual turnover of €750 million or more, along with their subsidiaries, must pay a minimum tax of 15%. This complements the Corporate Income Tax and will apply if companies do not meet the 15% threshold.