

Circular No. 11/ 2015

Modification of tax withholding rates

Barcelona, 14 July 2015

Dear Client,

On Saturday, 11 July, Royal Decree-Law 9/2015 of 10 July was published in the *Spanish Official Gazette*. The law introduces a number of amendments to regulations on Personal Income Tax, Corporate Income Tax and Non-resident Personal Income Tax.

In this regard, amongst other matters, a decrease is envisaged in withholding rates applied up to now to the payment of certain incomes.

The new rates apply as of **12 July** and, furthermore, for certain incomes, a new reduction of withholdings is to apply from 1 January 2016 onwards.

In this case, the withholding rate applicable will be determined, in general, by the date on which the income tax is due. However, the rate applicable, according to personal income tax, to employment income and economic activities will be that corresponding on the date payment is made.

For your convenience we enclose a table showing, for each type of income tax, a comparison of:

- i) withholdings performed up to the modification,
- ii) withholdings to be applied as of the modification, and,
- iii) withholdings envisaged as of 1 January 2016.

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We remain at your disposal for any clarification concerning this circular. In addition to the professionals who regularly collaborate with your company, you may also contact **Lorena Marquina, Xavier Latorre** or **Javier Aquilué**.

Best regards,
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The sole and exclusive purpose of this circular is to provide its addressees with selected content providing general information on employment, tax-related or legal developments and issues, without this in any way constituting professional advice or being sufficient for taking personal or business decisions.

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Withholding Tax Comparative Summary 2015-2016			
Concept	From 01/01/2015 to 11/07/2015	From 12/07/2015	From 01/01/2016
Corporate Income Tax			
General rate	20%	19,5%	19%
Personal Income Tax: Employment income			
Employment relationship	Progressive WH rate	New prog. WH rate	Progressive WH rate
Lectures, conferences, seminars...	19%	15,0%	15%
Overdue payments from previous tax periods	15%	15,0%	15%
Administrators & Board members	37%	37,0%	35%
Administrators & Board members (In entities with previous year's net income under 100.000 €)	20%	19,5%	19%
Posted workers in Spain taxed as non-residents	24%	24,0%	24%
	47%	47,0%	45%
Personal Income Tax: Immovable property income			
Letting & subletting of urban immovables	20%	19,5%	19%
Personal Income Tax: Capital income			
General rate (dividends, interests)	20%	19,5%	19%
Industrial property	20%	19,5%	19%
Intellectual property	20%	19,5%	19%
Technical assistance services	20%	19,5%	19%
Letting & sub-letting of movables, business or mines	20%	19,5%	19%
Assignment of image rights incomes	24%	24,0%	24%
Personal Income Tax: Economic Activities			
General rate	19%	15,0%	15%
Previous year gross revenues < 15.000 €	15%	-	-
First, second and third tax period of activity	9%	7,0%	7%
Agricultural and Livestock activities income	2%	2,0%	2%
Pig fattening & poultry farming activities income	1%	1,0%	1%
Forestry activity income	2%	2,0%	2%
Objective assessment regime income	1%	1,0%	1%
Personal Income Tax: Capital Gains			
Equities sellings of Collective investment institutions	20%	19,5%	19%
Prizes & Awards	20%	19,5%	19%
Non-residents Income Tax			
General rate	24%	24,0%	24%
UE non-residents rate	20%	19,5%	19%