

# Spain Real Estate Tax factsheet 2025

On this factsheet you will find key information on relevant tax rates in 2025 for real estate owners and investors operating in the Spanish real estate market.

## Individuals

### Personal Income Tax – Rental Income

Individual	Rate
Resident in Spain	<ul style="list-style-type: none"> <li>Subject to Spanish PIT on their worldwide income.</li> <li>Taxed at progressive rates, with marginal tax rates up to 54%.</li> </ul>
Non-resident in Spain	<ul style="list-style-type: none"> <li>Subject to taxation in Spain only on their Spanish source income.</li> <li>Non-EU residents: 24% flat tax on gross income, no expense deductions.</li> <li>EU residents: 19% tax rate, with the possibility of deducting expenses directly related to income obtained in Spain.</li> </ul>

### Personal Income Tax – Capital gains

Individual	Rate
Resident in Spain	<ul style="list-style-type: none"> <li>Subject to Spanish PIT on their worldwide income.</li> <li>Are taxed in tranches: 19% for gains up to €6.000, 21% for gains between €6.000–€50.000, 23% for gains between €50.000–€200.000, 27% for gains between €200.000–€300.000, and 30% for gains above €300.000.</li> </ul>
Non-resident in Spain	<ul style="list-style-type: none"> <li>Subject to taxation in Spain only on their Spanish source income.</li> <li>Taxed at 19%. The buyer must withhold 3% of the agreed price as an advance payment of the capital gains tax.</li> </ul>

A tax called "Tax on increase of value of urban land" ('IIVTNU' in Spanish) applies to the increase of the value of urban land and will arise on its transfer. The taxpayer is the seller, and it is a deductible expense for PIT purposes.

### Spanish Net Wealth/worth taxes

Tax levied on the total value of an individual's net worth, including real estate. It is a regional tax.

Tax	Individuals	Tax rate
Spanish Net Wealth	Residents	0,2 – 3,75%, applied on worldwide assets if total net wealth > €700.000 (€500.000 in some regions).  As well as a general €700.000 tax-free allowance, homeowners are allowed a further €300.000 allowance against the value of their main residence.
	Non-residents	0,2 – 3,75%, applied on net assets located in Spain if total net wealth > €700.000 (€500.000 in some regions).
Solidarity Tax (complementary to Spanish Net Wealth Tax)	Residents/ Non-residents	1,70 – 3,50%, applied on worldwide assets (or Spanish net assets for non-residents) if total net wealth > €3.000.000.  Wealth tax paid according to the autonomous community's rules may be deducted from the solidarity tax.



## Companies

### Corporate Income Tax or Non-Residents Income Tax – Rental Income

Company	Rate
Spanish resident entity – CIT	<ul style="list-style-type: none"> <li>Generally, at a flat rate of 25%.</li> </ul>
Non-resident entity – NRIT	<ul style="list-style-type: none"> <li>24% of gross income.</li> <li>EU resident entity: reduced tax rate of 19%.</li> </ul>

### Corporate Income Tax or Non-Residents Income Tax – Capital gain

Company	Rate
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### Vehicles for Spanish real estate

Spanish limited liability company ("SL")	<ul style="list-style-type: none"> <li>Shareholders are not personally liable for business debt.</li> <li>Minimum share capital required → €1</li> <li>Profits made by SL are subject to CIT at a tax rate up to 25%.</li> </ul>
Partnership & joint ventures	<ul style="list-style-type: none"> <li>Particularly used by construction and engineering companies where contracts are awarded to more than one company → not paying CIT on the part of the taxable income imputable to the member resident company.</li> <li>CIT levied at 25% on the portion of the taxable base of a joint venture attributable to non-resident members.</li> </ul>
Limited partnerships	<ul style="list-style-type: none"> <li>25% CIT.</li> <li>At least a managing partner and limited partner; the entity will cease to exist if a partner voluntarily leaves the S.Com.</li> </ul>
Trusts	<ul style="list-style-type: none"> <li>Not recognized under Spanish Law; assets and liabilities are allocated to the beneficiaries as personal income, and profits will be taxed on the beneficiaries as PIT.</li> </ul>
Foreign partnerships	<ul style="list-style-type: none"> <li>Tax transparent. Partners are taxable on their share of any profits or gains of the partnership.</li> </ul>

### Spanish Net Wealth/worth taxes

Real Estate Investment Trusts ("SOCIMI")	<ul style="list-style-type: none"> <li>It is a special legal and tax investment vehicle focused on real estate assets generating rental income.</li> <li>It must be tax resident in Spain and is partly subject to 0% CIT, conditioned to the mandatory annual distribution of dividends.</li> <li>Legal requirements: <ul style="list-style-type: none"> <li>Must be a Spanish Corporation ("Sociedad Anonima").</li> <li>Nominal capital must amount to at least €5.000.000.</li> <li>At least 80% of the market value of its assets must consist of qualifying real estate assets and shares.</li> </ul> </li> </ul>
Real Estate Investment Funds	<ul style="list-style-type: none"> <li>Collective investment institutions with principal purpose investing in urban real estate to be leased. Must be managed by a management company.</li> <li>Minimum equity → €9.000.000 and at least 70% of the market value of its assets must consist of qualifying real estate assets and shares.</li> <li>Reduced CIT rate of 1%.</li> </ul>

## Individuals and Companies

It is noted that as a main rule, VAT and Real Estate Transfer Tax cannot be applied to the same real estate transaction.

Value Added Tax (VAT) and Real Estate Transfer Tax (RETT)		
Seller	Real Estate property sold/Intended Use	Tax treatment
Entrepreneur for VAT purposes	New or substantially refurbished building ("first transmission").	VAT applies: 10% for residential properties, 21% in other cases.
Entrepreneur for VAT purposes	<ul style="list-style-type: none"> <li>• Second-hand properties.</li> <li>• Two situations considered, depending on the intended use of the property:               <ol style="list-style-type: none"> <li>1) The intended use of the property implies having the right to totally or partially deduct VAT.</li> <li>2) The requirements to waive the VAT exemption are not met.</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>• Exempt from VAT.</li> <li>• Two scenarios, depending on intended use:               <ol style="list-style-type: none"> <li>1) Possibility of waving the VAT exemption (reverse charge mechanism applies): 10% for residential properties; 21% in other cases.</li> <li>2) RETT at 6–13% of the purchase price.</li> </ol> </li> </ul>
Individual – Not considered as a taxable person for VAT purposes		RETT at 6–13% of the purchase price.
Enterprise / Individual	Residential rents and the tenant is a company.	Subject to VAT at 21%
Enterprise / Individual	Residential rents if the tenant is an individual or a company subletting the property to one of its employees.	Exempt from VAT.
Enterprise / Individual	Landlord rents fully, furnished apartments and commits themselves to providing ancillary services, such as restaurant, cleaning, laundry or similar services.	Subject to VAT at 10%.

Real Estate Tax	
Liability to Tax	Rate
Every owner or user of residential or commercial buildings in Spain	<ul style="list-style-type: none"> <li>• Urban properties: 0,4%–1,10% of the cadastral value, levied on an annual basis.</li> <li>• Non-urban properties: 0,3%–0,9% of the cadastral value, levied on an annual basis.</li> </ul>

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