



# Spain Real Estate Tax Guide 2026

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# QUICK OVERVIEW OF SPANISH REAL ESTATE

## Tax treatment of income and gains

Taxpayer	Basis of tax	Tax levied	Tax rates (2026)
Resident individual	Rental income	Individual income tax	19 – 54%
	Capital gains	Individual income tax	19 – 30%
Non-resident individual	Rental income	Income tax non-residents	19 – 24%
	Capital gains	Income tax non-residents	19%
Resident company	Rental income	Corporate income tax	25%
	Capital gains	Corporate income tax	25%
Non-Resident company	Rental income	Income tax non-residents	19 – 24%
	Capital gains	Income tax non-residents	19%

Taxes in Spain are split between state, regional and local governments, with each of Spain's 17 autonomous regions deciding its own tax rates and liabilities. This means Spanish tax rates vary across the country.

Under Spanish law, income and capital gains triggered by Spanish real estate properties are taxable in Spain, whether they are realised by a Spanish resident or non-resident.

There are no separate taxes for income and capital gains in Spain.

If a non-resident company has a permanent establishment in Spain its taxable presence will be determined in accordance with the provisions of corporation tax rules, with some limitations on the deduction of payments attributable to the headquarters for fees, interest, commissions, technical assistance services and use or assignment of assets or rights.

## Rental income

### Individuals

#### Introduction

Rental income is taxed as ordinary private income.

#### Liability to tax

Resident individuals are subject to Spanish personal income tax ('Impuesto sobre la Renta de las Personas Físicas') on their worldwide income.

Non-resident individuals are subject to taxation in Spain only on their Spanish source income.

#### Basis to tax

The personal income tax of Spanish resident individuals are taxed at progressive rates as stated by state and autonomous communities scales, with marginal tax rates up to 54%.

The current Spanish income tax rate for non-residents is 24% of gross income, with no deductions permitted for expenses. However, EU residents have a reduced income tax rate of 19% with the possibility of deducting expenses, if these expenses are directly related to income obtained in Spain.



## Companies

### Introduction

Rental income is taxed as business income.

### Liability to tax

Rental income earned by companies is subject to corporate income tax or income tax for non-residents.

### Basis to tax

Rental income earned by Spanish resident entities is subject to corporate income tax ('Impuesto sobre Sociedades') generally at a flat rate of 25%. The current Spanish rental income tax rate for non-resident companies is 24% of gross income.

However, EU resident companies have a reduced income tax rate of 19%. Non-resident companies with a permanent establishment in Spain will be taxed according to corporate income tax rules.

## Capital gains

### Individuals

#### Introduction

Capital gains are taxed as savings income.

#### Liability to tax

Resident individuals are subject to Spanish personal income tax ('Impuesto sobre la Renta de las Personas Físicas') on their worldwide income.

Non-resident individuals are subject to income tax for non-residents only on Spanish source income.

## Basis of tax

Capital gains obtained by resident individuals in the transfer of real estate property are subject to taxation at the following rates (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.

Capital gains obtained by non-resident individuals are taxed at a rate of 19%. The person who acquires the building shall be obliged to withhold 3% of the agreed payment. For the seller, this withholding acts as a payment on account of the capital gains tax that arises from the transaction.

## Local tax for capital gains

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 personal income tax purposes.

## Companies

### Introduction

Capital gains are taxed as business income.

### Liability to tax

Capital gains earned by companies are subject to corporate income tax or income tax for non-residents.

### Basis to tax

Capital gains realised by resident companies on the transfer of Spanish property are subject to Spanish Corporate Tax ('Impuesto sobre Sociedades') at a flat rate of 25%.

Capital gains obtained by non-resident companies are taxed at 19%.

### Local tax for capital gains

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

## Spanish VAT & transfer taxes

Taxpayer	Basis of tax	Tax levied	Tax rates (2026)
Resident individual	<i>Rental income</i> Transfer of real estate	Value Added Tax Transfer Taxes	0; 10; 21% 6–13%*
Non-resident individual	<i>Rental income</i> Transfer of real estate	Value Added Tax Transfer Taxes	0; 10; 21% 6–13%*
Resident company	<i>Rental income</i> Transfer of real estate	Value Added Tax Transfer Taxes	0; 10; 21% 6–13%*
Non-Resident company	<i>Rental income</i> Transfer of real estate	Value Added Tax Transfer Taxes	0; 10; 21% 6–13%*

# Value Added Tax

## Individuals

### Introduction

Value added tax is a tax based on the increase in the value of a product or service at each stage in its supply chain.

### Liability to tax

Spanish VAT rules will apply to real estate properties located in Spanish territory.

### Basis of tax

If the seller is an entrepreneur for VAT purposes and delivers a new or substantially refurbished building, then based on the consideration of the first transmission given by the VAT Law, this operation would be subject to (and not exempt from) VAT.

Consequently, the buyer would have the obligation to bear the VAT passed by the seller; such a transaction would be taxed at a reduced rate of 10% if the acquired property is a residential property (or 21% in other cases, for example an office or parking).

The transfer of second-hand properties is exempt from VAT. In this sense, two situations should be considered, which depends on the intended use of the property by the purchaser:

- If the intended use of the property implies having the right to totally or partially deduct VAT, it would be possible to waive the VAT exemption and be taxed at a reduced rate of 10% if the acquired property is a residential property (21% in other cases). Under this scheme a reverse charge mechanism applies.
- Should the requirements to waive the VAT exemption not be met, then the transfer would be subject to transfer tax at a rate of 6–13% of the purchase price, dependent on the Autonomous Community in which the property is located and its fair market value.

If the seller is not considered as a taxable person for VAT purposes, the transfer remains in any case subject to transfer tax at a rate of 6–13% of the purchase price.

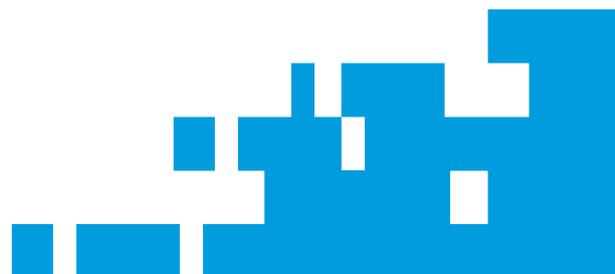
\*In Catalonia, a 20% transfer tax rate applies when the acquirer is a Large Property Holder (defined as owning more than 10 residential properties in Spain or 5 or more in 'stressed housing market areas') or when an entire residential building is acquired.

In the case of residential rents, this operation is exempt from VAT, but if the tenant is an enterprise, it would be a subject to the operation of VAT at a rate of 21%. If the enterprise sublets the house to one of their workers, it would then be an exempt operation.

In a case where the landlord rents fully, furnished apartments and also commits themselves to providing ancillary services, such as restaurant, cleaning, laundry or similar services, this operation would be subject to (and not exempt of) VAT, at a reduced rate of 10%.

### Interaction with transfer tax

In a case where VAT is charged (i.e. subject to VAT and not an exempt operation), the transfer of the real estate is exempt from transfer tax.



## Companies

The same rules apply as for individuals.

## Transfer taxes

### Individuals

#### Introduction

Transfer tax is a tax that applies on the passing of real estate from one person to another. Rights of immovable property can qualify as real estate.

#### Liability to tax

Transfer taxes apply with the acquisition of the legal or economic ownership of Spanish real estate and is payable by the purchaser.

#### Basis of tax

The reference value of the immovable property, except if the price paid is higher, will be taxed at a rate of 6 -13%, dependent on the location of the real estate, as it is a regional tax. The reference value is annually determined by the General Directorate of Cadastre based on the on the analysis of prices reported by notaries public in real estate transactions made and is capped by the market value.

\*In Catalonia, a 20% transfer tax rate applies when the acquirer is a Large Property Holder (defined as owning more than 10 residential properties in Spain or 5 or more in 'stressed housing market areas') or when an entire residential building is acquired.

#### Exemptions

In a case where a real estate transfer is subject to and not exempt from VAT, transfer tax does not apply.

## Companies

The same rules apply as for individuals

## Local taxes

Taxpayer	Basis of tax	Tax levied	Tax rates (2026)
Resident individual	Cadastral value	Real Estate Tax	Depends on the local authority
Non-resident individual	Cadastral value	Real Estate Tax	Depends on the local authority
Resident company	Cadastral value	Real Estate Tax	Depends on the local authority
Non-Resident company	Cadastral value	Real Estate Tax	Depends on the local authority

#### Introduction

Every local authority levies an annual tax on Spanish real estate. Real estate tax is deductible for corporate and personal income tax purposes if rental income exists.

#### Liability to tax

Every owner or user of residential or commercial buildings in Spain is liable to local tax.

## Basis of tax

Real estate tax is levied on an annual basis and rates may range from 0,4%–1,10% of the cadastral value (the official value of a property given by Administration) of urban properties, and 0,3%–0,9% of the cadastral value of non-urban properties. Local authorities are the ones who increase or decrease these rates, which depends on the location of the property. The taxpayer is the owner of the real estate, or the person who occupies it.

## Spanish Net Wealth/worth taxes

Taxpayer	Basis of tax	Tax levied	Tax rates (2026)
Resident individual	Individual total net worth	Net worth tax	0,2–3,75%
Non-resident individual	Individual total net worth	Net worth tax	0,2–3,75%
Resident company	Not applicable	Not applicable	Not applicable
Non-Resident company	Not applicable	Not applicable	Not applicable

### Individuals

#### Introduction

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

#### Liability to tax

Spanish wealth tax ('Impuesto sobre el Patrimonio') is payable by both residents and non-residents (if they own property in Spain, either directly or indirectly), although the rules that apply to each are different. Residents pay the wealth tax on their worldwide assets, whereas non-residents are only liable on those net assets located in Spain.



#### Basis of tax

The wealth tax on assets is a tax applied individually, not on annual income or transactions, but on the personal wealth of natural persons and based on the value of all the assets of a taxpayer. If total wealth exceeds €700.000 (€500.000 in some regions), the taxpayer will be liable to Spanish wealth tax of 0,2–3,75% of net assets, with variations between 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.

#### Temporary Solidarity Tax on Large Fortunes

At the end of 2022, a temporary tax called "Temporary Solidarity Tax on Large Fortunes" was approved by the central government. The tax is complementary to the Wealth Tax, in order to tax with an additional quota the wealth of individuals with an amount greater than 3.000.000 euros.

The new Tax was applicable in principle only during 2022 and 2023, but it still remains in force, and taxes the personal wealth of natural persons based on the value of all the assets of a taxpayer. If total wealth exceeds €3.000.000, the taxpayer will be liable to Spanish Solidarity tax of 1,70–3,50% of net assets.

Wealth tax paid according to the autonomous community's rules may be deducted from the solidarity tax.

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## Vehicles for Spanish real estate

### Commonly used vehicles for Spanish real estate

#### Limited

The 'SL', or Spanish limited liability company, is the most frequently used vehicle for the ownership of Spanish real estate. Its equity is divided into shares and the shareholders of the SL are not personally liable for the business debt.

The minimum share capital required for an SL is € 1 (following the approval of the Law 18/2022, September 28th, on the creation and growth of enterprises). Profits made by the SL are subject to the corporate income tax at a tax rate of up to 25%.

#### Partnership & joint ventures

Joint ventures ('Unión Temporal de Empresas', or 'UTES') are particularly used by construction and engineering companies where contracts are awarded to more than one company and they are not paying corporate tax on the part of the taxable income imputable to the member resident company.

However, this tax regime does not apply to a portion of the taxable base of a joint venture attributable to non-resident members. This taxable base is taxed at the general tax rate of corporate income tax at the general rate of 25%.

#### Limited partnerships

A typical limited partnership is the S.Com. ('Sociedad en Comandita' or 'S. Com.'). The S.Com. has at least a managing partner and a limited partner. Where a partner voluntarily leaves the S.Com., then the entity will cease to exist.

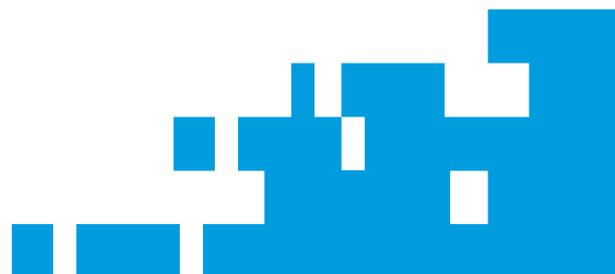
Limited partnerships are taxed in Spain through Spanish Corporation Tax at a general rate of 25%.

#### Trusts

Trusts are not specifically recognised under Spanish law. For tax purposes, the assets and liabilities of a trust are allocated to the beneficiaries as personal income. Profits realised by the trusts will be taxed on the beneficiaries as personal income tax.

#### Foreign partnerships

Non-established foreign partnerships are tax transparent. Partners are therefore taxable on their share of any profits or gains of the partnership.



## Specific real estate vehicles for Spanish real estate

### Real estate investment trusts

The Spanish regime for 'Sociedades Anónimas Cotizadas de Inversión Inmobiliaria' ('SOCIMI'), are the Spanish equivalent of a Real Estate Investment Trust (REIT), which provides corporate income tax benefits and beneficial tax treatment of dividend distributions. A SOCIMI is a special legal and tax investment vehicle that is specifically devoted to real estate assets which generate rental income.

A SOCIMI must be tax resident in Spain and is partly subject to 0% Corporate Income Tax. This rate is subject to the mandatory annual dividend distribution of profits. It is therefore important to look at the legal requirements of a SOCIMI.

The only legal form permissible for a SOCIMI is a Spanish corporation ('Sociedad Anónima'). The nominal capital of a SOCIMI must amount to at least €5m and at least 80% of the market value of its assets must consist of qualifying real estate assets and shares.

### Real Estate Investment Funds

Real Estate Investment Funds are collective investment institutions that must have as its principal purpose an investment in urban real estate to be leased. Real estate investment funds must be managed by a management company. Most of the Board members and the senior management of the management company must have proven experience in real estate and financial markets.

The minimum equity of real estate investment funds is €9,000,000 and at least 70% of the market value of its assets must consist of qualifying real estate assets and shares. When investing through a real estate investment fund, a reduced corporate income tax rate of 1% applies.



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