

# Spanish wealth tax in Andalusia

The Spanish wealth tax was actually suspended with effect from the tax year 2008, but as a result of the severe economic crisis the wealth tax was revived initially with effect for the period 2011-2016 and later also for 2017-2020.

## Who is liable for wealth tax?

The Spanish wealth tax return must be submitted before 30 June of the following income year, when one of the following conditions is met:

### Resident

- *Global net worth > 700,000 euros.*
- *Global gross wealth > 2 mio euros.*

### Non-resident

- *Spanish net worth > 700,000 euros*
- *Spanish gross wealth > 2 mio euro.*

## Gross wealth

Gross wealth is defined as the value of all assets and rights that are not exempt from wealth taxation.

## Assets and rights exempt from wealth taxation

There are some assets and rights that are exempt from wealth taxation, and they are therefore not included in the calculation of gross wealth.

Asset / right	Exempt
Primary housing	300,000 euros
Certain works of art	2,400 - 90,150 euros
Pension scheme	100%

## Spanish wealth tax calculation

The calculation of the Spanish wealth tax in summary form looks like this:

### Calculation of Spanish wealth tax

Gross wealth

- debt

= Net worth

- deduction

= Taxable wealth

x wealth tax rate

= Calculated wealth tax

- reduction due to wealth tax limit

- foreign paid wealth tax

- local special reduction (applicable for EU-residents)

= Payable wealth tax

## Valuation of real estate

Real estate is generally valued at the higher of the following three possible values:

- Cadastral value (valor catastral)
- Value verified by the Spanish tax authorities regarding other tax (transfer tax, inheritance tax ..)
- Deed price, acquisition value ..

## Deduction

If no local deduction has been adopted, the national deduction can be applied. If the national basic deduction is more attractive than the local one, non-residents can apply the national one.

Deduction 2020	Euros
National	700,000
Andalusia	700,000
Catalonia	500,000 (residents) / 700,000
Madrid	700,000
Mallorca	700,000
Murcia	700,000
Valencia	600,000 (residents) / 700,000

## The national wealth tax rates

The national wealth tax rates are applied when no other rates are set locally.

WEALT TAX RATES 2020 NATIONAL EUROS			
Taxable wealth	Tax	Interval	%
0	0	167,129	0.2
167,129	334	167,123	0.3
334,253	836	334,247	0.5
668,500	2,507	668,500	0.9
1,337,000	8,523	1,337,000	1.3
2,673,999	25,904	2,673,999	1.7
5,347,998	71,362	5,347,998	2.1
10,695,996	183,670	here after	2.5

Example of national wealth tax calculation:

Of a taxable wealth of 500,000 euros, the wealth tax amounts to 836 euros of the first 334,253 euros, and 0.5% of the remaining taxable wealth corresponding to 829 euros. In total, the Spanish wealth tax calculated according to national rates thus amounts to 1,665 euros.

## Reduction in the calculated wealth tax

Local special deductions in the calculated wealth tax for the years 2019 and 2020.

- 100% Madrid (2019 and 2020)
- 75% La Rioja (2019)

## Wealth tax limit

Of the taxable income (profit excluded), the income tax plus the wealth tax can amount to a maximum of 60%. However, the wealth tax can be reduced to a maximum of 20% of the calculated wealth tax.

## Wealth tax rates Andalusia

As can be seen below, local wealth tax rates in Andalusia do not differ significantly from national ones.

WEALTH TAX RATES 2020 ANDALUSIA EUROS			
Taxable wealth	Tax	Interval	%
0	0	167,129	0.24
167,129	401	167,123	0.36
334,253	1,003	334,247	0.61
668,500	3,042	668,500	1.09
1,337,000	10,328	1,337,000	1.57
2,673,999	31,319	2,673,999	2.06
5,347,998	86,404	5,347,998	2.54
10,695,996	222,243	here after	3.03

Example of wealth tax calculation Andalusia:

Of a taxable wealth of 500,000 euros, the wealth tax amounts to 1,003 euros of the first 334,253 euros, and 0.61%, of the remaining taxable wealth corresponding to 1,011 euros. In total, the Spanish wealth tax after the rates in Andalusia thus amounts to 2,014 euros.