

Annual income tax for non-residents (IRNR): charged only to non-resident owners of real estate in Spain.

Many non-resident owners in Spain, who pay the municipal property tax every year (I.B.I. - Property tax), are convinced that this is the single tax they must pay. But it is not quite true. According to the tax laws of Spain, the NON-RESIDENT - owner of real estate is required to file an annual IRNR statement – Annual income tax of a non-resident). This tax is paid regardless of whether the property is rented or not. The owner submits the IRNR statement for each property he owns.

Let's give an example: an apartment and a garage in Spain. Both properties are registered as two independent real estate objects. Then it is necessary to submit two statements: 1 - for the apartment and the second - for the garage. In the event that the properties belong to a married couple, 4 statements must be submitted. It is not possible to combine all the properties and present them in a declaration. The value of the property tax must be proportional to the number of days in the possession, whose totality is divided among all its owners.

What should I do if I didn't pay the IRNR tax or alter the deadline for regular statements?

If you have not paid the IRNR tax and have already altered the deadlines for submitting the declaration, don't worry, this is quite common. Now you have two options:

1. You can wait until you receive a tax letter with the "Requirement" and then submit the return as required. In this case, it is VERY IMPORTANT not to omit the letter and pay the tax on time, that is, within 10 business days of receiving the letter. Unfortunately, according to local law, this letter is considered received even if it was not delivered personally, but they were left in the mailbox. The consequences in case of late payment are serious. You may be confiscated bank accounts or put a charge on your property.



2. Voluntary payment of IRNR taxes. You can submit and pay the IRNR statement without waiting for the demand letter and save on the amount of fines and penalties.

However, even after the voluntary payment of the tax with alteration of the term, you will receive a letter called "PROPOSAL FOR CLEARANCE FOR RECEIPT OUT OF AUTOLIQUIDATION," in which you will be asked to pay a fine and penalties for late payment of this tax.

- The fine for the voluntary payment of the IRNR tax with an alteration of the term less than 12 months is 15% of the total tax, such total will be reduced by 25% for voluntary reimbursement before the expiration date.
- The fine for the voluntary payment of the IRNR tax with an alteration of the term exceeding 12 months is 20% of the total tax, such total will be reduced by 25% for voluntary reimbursement before the expiration date.

If you have received, a letter called "PROPOSAL FOR LIQUIDATION OF RECHARGE FOR SUBMISSION OUT OF AUTHORIQUIDATION" and you don't agree with the fine and penalties accrued, you can appeal this decision within 15 business days.

If you accept this fine and penalties, you can leave this letter unanswered and wait for the payment receipt, which will come with a letter called SETTLEMENT OF RECHARGE FOR SUBMISSION OUT OF AUTOLIQUIDATION. You can pay this receipt with a barcode at the bank branch indicated in the notification letter.

Important! If you are the owner of real estate in Spain and rent your property, the IRNR tax is calculated based on the rental income.

A NON-RESIDENT owner who rents his property must file an IRNR statement every quarter. The deadline to present and pay the tax is limited to 15 days of each quarter (until April 15, July 15, October 15 and January 15).

Holiday rental of the property:



The most difficult situation arises when, within a calendar year, the NON-RESIDENT owner rents his apartment for a short or long period. You must submit:

1. Quarterly statement of the period in which the seasonal rental was made.
2. Annual statement for the entire remaining period.

LIGHTHOUSE COSTA BRAVA provides the IRNR declaration preparation service for non-resident owners in Spain.

Cost of the service: € 25.00 + 21% VAT / declaration.

Duration: 3-5 business days.

List of the necessary documentation for the registration of IRNR declarations:

1. Copy of N.I.E. of all owners.
2. Copy the passports of all the owners, 1st page with the data of the holder.
3. Permanent registration address (indicated in the declaration).
4. Residence address in Spain (postal address where you will receive tax notifications).
5. Contract of sale (Deed of Sale).
6. Excerpt from the property registry (Simple Note).
7. A copy of the last real estate tax receipt (I.B.I. - Real estate tax).

