

KEY FIGURES 2025

PERSONNAL & ESTATE TAXATION

1 | GIFT & INHERITANCE

MADRID

1.1 RATES

TAXABLE BASE UP TO (€)	TAX 1 (€)	REMAINING TAXABLE BASE UP TO (€)	RATE (%)
0.00	0.00	8,313.20	7.65
8,313.20	635.96	7,688.15	8.50
16,001.35	1,289.45	8,000.66	9.35
24,002.01	2,037.51	8,000.69	10.20
32,002.70	2,853.58	8,000.66	11.05
40,003.36	3,737.66	8,000.68	11.90
48,004.04	4,689.74	8,000.67	12.75
56,004.71	5,709.82	8,000.68	13.60
64,005.39	6,797.92	8,000.66	14.45
72,006.05	7,954.01	8,000.68	15.30
80,006.73	9,178.12	39,940.85	16.15
119,947.58	15,628.56	39,940.87	18.70
159,888.45	23,097.51	79,881.71	21.25
239,770.16	40,072.37	159,638.43	25.50
399,408.59	80,780.17	399,408.61	29.75
798,817.20	199,604.23	And over	34.00

1.2 MULTIPLYING FACTORS

PRE-EXISTING ASSETS (€)	GROUPS I and II	GROUP III	GROUP IV
From 0.00 to 403,000	1.0000	1.5882	2.0000
From 403,000 to 2,008,000	1.0500	1.6676	2.1000
From 2,008,000 to 4,021,000	1.1000	1.7471	2.2000
From more than 4,021,000	1.2000	1.9059	2.4000

1.3 REDUCTIONS

REDUCTIONS	INHERITANCE	GIFT **
RELATIONSHIP	• Group I: €16,000.00 and €4,000.00 for each year that the beneficiary is under 21, up to €48,000.00. • Group II: €16,000.00. • Group III: €8,000.00. • Group IV: No reduction is applied.	Not applicable.
DISABILITY	• Equal to or greater than 33%: €55,000.00. • Equal to or greater than 65%: €153,000.00.	Not applicable.
LIFE INSURANCE*	100% reduction, with a limit of €9,200.00 if from Group I or Group II.	Not applicable.
HABITUAL RESIDENCE	Reduction of 95% of the net value of the home as part of the inheritance with a limit of €123,000.00, for each taxpayer, applicable to Groups I and II (without conditions of age or cohabitation with the deceased), and to collateral relatives (brothers, etc.) over 65 years of age and who had lived together for at least 2 years prior to the death. It is compulsory to keep the home for 5 years, unless the acquirer dies within this period.	Not applicable.
INDIVIDUAL COMPANY	Reduction of 95% of the net value of the business (source of their main and habitual economic activity) for taxpayers from Groups I and II, and also Group III if there are none from I and II, provided that the acquisition is maintained for 5 years following the death, unless the acquirer dies within that period.	Reduction of 95% of the acquisition value if: • Donor 65 years of age or older, or in a state of permanent, absolute or major disability. • Donor must cease to exercise management functions and receive remuneration. • Donor must keep the acquired + IP exemption right for 10 years unless he/she dies during this period.
HISTORIC HERITAGE ASSETS	95% reduction for Groups I and II if: • Possession for 5 years from death unless the acquirer dies within that period.	Reduction of 95% of the acquisition value for Groups I and II if: - • Donor 65 years of age or older or in a state of permanent, absolute or major disability. • Recipient: Possession and right to IP exemption for the following 10 years, unless he/she dies within this period.
TERRORIST ACTS	99% reduction on amounts received in respect of compensation paid by public administrations to heirs for acts of terrorism. It does not apply if these allowances are subject to personal income tax.	Not applicable.

** CASH GIFT:

100% reduction up to a limit of €250,000 applicable to Groups I and II and siblings to be made from 01/01/2019.

The gift must be used within one year for one of the following purposes:

→ Acquisition of habitual residence: As defined in provision 23 of Law 35/2006 of 28 November on Personal Income Tax, and in its implementing regulations in force since 01/01/2013.

→ Acquisition of company shares or holdings: As a consequence of agreements to incorporate or increase the capital of entities (SA, SAL, SRL and SC). They must comply with the requirements of article 15 of DL 1/2010 of 21 October.

→ Acquisition of goods, services and rights: For the development of the donee's individual company or professional business.

If it is not used for these purposes within the established period, the donee has one month to present a complementary self-assessment (+ interest for late payment).

To apply the limit of €250,000.00, all gifts made by the donor in favour of the same donee in the 3 years prior to the moment of accrual (indicated purposes) will be computed.

1.4 BONUS

	INHERITANCE	GIFT
GROUPS I and II	99% from 01/01/2017	99% provided it is formalised in a public document and the origin of the funds is justified.
GROUP III	25% if death occurs before 28/10/2022 25% if death occurs on or after 28/10/2022	25% between siblings from 28/10/2022 25% between uncles and aunts and nephews and nieces from 28/10/2022
GROUP IV	No bonus applies	No bonus applies

1.5 KINSHIP GROUPS

- **GROUP I** → Descendants (children, grandchildren, etc.) and adopted children under 21 years of age.
- **GROUP II** → Descendants (children, grandchildren, etc.) and adopted children aged 21 or over, spouse, ascendants (parents, grandparents, etc.).
- **GROUP III** → 2nd and 3rd degree collateral relatives (siblings, nephews and nieces), ascendants and descendants by affinity.
- **GROUP IV** → 4th degree collateral relatives, more distant relatives and non-relatives.

1.6 USUFRUCT (ISD)

CONSTITUTION	EXTINCTION
→ Division of Property (usufruct constitution): Inheritance or Gift → TEMPORARY USUFRUCT: • Taxable base: calculated by applying 2% to the total value of the goods per year, not exceeding 70%. • Periods of less than one year are not taken into account. For less than one year, 2% of the value of the goods will be computed. → LIFE USUFRUCT: • Estimated value equal to 70% of the total value of the assets when the usufructuary is under 20 years of age. It is reduced by 1% for each additional year, with a minimum limit of 10% of the total value (from 79 years of age of the usufructuary = 10%). IMPORTANT: Value of the right of bare ownership = difference between the total value of the assets and the value of the usufruct. → TWO TAX RETURNS: 1. Usufructuary: for the acquisition of the right of usufruct (value of the right, less the corresponding general reductions). 2. Bare owner: for the acquisition of the bare ownership (value of the bare ownership, reduced by the corresponding general reductions, with application of the average effective rate of taxation* corresponding to the full value of the assets). → The Bare Owner has a single acquisition, with a single accrual, albeit partly deferred in time.	→ Time of extinction of usufruct: Death of the usufructuary. → The extinction of the usufruct produces the consolidation of ownership. → Applicable tax rule: the one in force at the time the ownership was dismembered (date of first death (inheritance) or date of gift). → The bare owner must pay tax on the value attributed to the usufruct on its constitution and not on its extinction. This value will be reduced by applying the rest of the general reductions that apply, if they were not used in the liquidation of the acquisition of the bare ownership. → The average effective rate of taxation* corresponding to the dismemberment of the estate must be applied. *Effective average tax rate: This is based on a theoretical net tax base (BLT: total value of the assets = value of the usufruct + value of the bare ownership + value of the rest of the assets of the inheritance). The tax rate is applied to this BLT to obtain a theoretical tax liability (CTT) (CTT/BLT)*100=Average effective tax rate.

2 | PERSONAL INCOME TAX

STATE LEVEL			
NET BASE	TAX 1	REMAINING NET BASE	RATE
UP TO (€)	(€)	UP TO (€)	(%)
0.00	0.00	12,450.00	9.50%
12,450.00	1,182.75	7,750.00	12.00%
20,200.00	2,112.75	15,000.00	15.00%
35,200.00	4,362.75	24,800.00	18.50%
60,000.00	8,950.75	240,000.00	22.50%
300,000.00	62,950.75	And above	24.50%

*In addition to this rate, the taxpayer's scale of the Spanish Autonomous Community of Andalusia:

MADRID				ANDALUCÍA (CÁDIZ, HUELVA, MÁLAGA, GRANADA, SEVILLA, CÓRDOBA, JAÉN, ALMERÍA)			
NET BASE	TAX 1	REMAINING NET BASE	RATE	NET BASE	TAX 1	REMAINING NET BASE	RATE
(€)	(€)	(€)	(%)	(€)	(€)	(€)	(%)
From 0 to 12,450	0.00	12,450	9.00%	From 0 to 12,450	0.00	12,450	9.50%
from 12,450 to 20,200	1,120.50	7,750	11.00%	From 12,450 to 20,200	1,182.75	7,750	12.00%
from 20,200 to 35,200	1,975.00	15,000	13.50%	From 20,200 to 35,200	2,107.75	15,000	15.00%
from 35,200 to 60,000	3,975.00	24,000	17.00%	From 35,200 to 60,000	4,357.75	24,800	18.50%
from 60,000 to 300,000	8,195.00	240,000	21.00%	From 60,000 to 300,000	8,957.75	240,000	22.50%
More than 300,000	58,595.00	And Above	22.50%	More than 300,000	62,967.75	And above	22.50%

3 | DIVIDENDS, INTEREST

NET BASE	TAX 1	REMAINING NET BASE	RATE
(€)	(€)	UP TO (€)	(%)
From 0.00 to 6,000.00	0	6,000	19%
From 6,000.01 to 50,000.00	1,140	44,000	21%
From 50,000.01 to 200,000.00	10,380	150,000	23%
From 200,000.01 to 300,000.00	44,880	100,000	27%
More than	71,880	And above	30%

4| WEALTH TAX OF NATURAL PERSONS

STATE LEVEL			
NET TAXABLE INCOME	TAX 1	REMAINING TAXABLE INCOME	RATE
UP TO (€)	(€)	UP TO (€)	(%)
0	0.00	167,129.45	0.2%
167,129.45	334.26	167,123.43	0.3%
334,252.88	835.63	334,246.87	0.5%
668,499.75	2,506.86	668,499.76	0.9%
1,336,999.51	8,523.36	1,336,999.50	1.3%
2,673,999.01	25,904.35	2,673,999.02	1.7%
5,347,998.03	71,362.33	5,347,998.03	2.1%
10,695,996.06	183,670.29	And above	3.5%

*The sum of the Personal Income Tax and Wealth Tax rates cannot exceed 60% of the sum of the net taxable Personal Income Tax, although with certain limits.

*In addition to this rate, the taxpayer's scale of the Spanish Autonomous Community of habitual residence must be added, although there are several communities that do not have a rate in force.

For example, MADRID and ANDALUCIA have a 100% rebate on the amount of this tax and therefore it is not paid in these regions, provided the temporary solidarity tax on large fortunes is in force, from 2023 onwards:

- In MADRID**, the 100% rebate will not be applicable while the Temporary Solidarity Tax on Large Fortunes is in force. Instead, a rebate may be applied that is determined by the difference, if any, between the total gross amount of the tax, after application of the joint limit established in article 31 of the Wealth Tax Law, and the total gross amount corresponding to the Temporary Solidarity Tax on Large Fortunes, after application of the corresponding joint limit.
- In ANDALUCIA**, instead of the 100% rebate, taxpayers can opt to apply a rebate determined by the difference, if any, between the total amount of the tax, after application of the joint limit established in the Wealth Tax Law, and, where applicable, the total amount that would correspond to the temporary solidarity tax on large fortunes, after application of the corresponding joint limit.

MAIN EXEMPTIONS OR REDUCTIONS APPLICABLE:

- Main exemptions or reductions applicable: Main residence: exemption of up to 300,000 euros in value.
- Works of art: exemptions in some cases.
- Business assets of individual entrepreneurs.
- Shares in a family business, with various requirements and conditions.
- Assets assigned to protected assets of people with disabilities.

5| SOLIDARITY TAX ON LARGE FORTUNES

→ New temporary tax complementary to the Wealth Tax. → Taxes net wealth over 3,000,000 euros on 31 December of each year. → Exempt minimum of 700,000 euros for residents in Spain.	NET TAXABLE	TAX 1	REMAINING NET TAXABLE	RATE
	UP TO (€)	(€)	UP TO (€)	(%)
	0.00	0.00	3,000,000.00	0.00
	3,000,000.00	0.00	2,347,998.03	1.7
	5,347,998.03	39,915.97	5,347,998.03	2.1
	10,695,996.06	152,223.93	and above	3.5

6| TRANSFER OF ASSETS

REAL ESTATE	→ Application of 6% in general cases. → Acquisition of property by large families: Reduced rate of 4%. • It must be the habitual residence. • The taxpayer must be a member of a large family. • Sale of the previous home within two years of the acquisition of the new home. → Acquisition by real estate companies: application of 2%. → Incorporation of the property into the assets of the company for the purpose of selling it. → Main activity of the company: construction of buildings, property development, purchase and sale of real estate for own account. → Transfer must be formalised in a public document. → Sale of the property within 3 years of its acquisition.
MOVABLE PROPERTY	→ Application of 4%: • Movable property. • Constitution and transfer of rights in rem, except for rights in rem as security.
CREATION OF SECURITY RIGHTS	→ 1%

LEASES:

- Tenant obliged to pay.
- Payment if signed before 18/12/2018.
- Housing contracts for permanent use between 19/12/2018 and 23/01/2019 are exempt:
- 100% rebate if annual income is less than €15,000.00 when not intended for the exercise of business activity between 24/01/2019 and 05/03/2019.
- Dwellings intended for permanent use are exempt but the tax must be paid except for the application of a 100% rebate.

SUBMISSION DEADLINE:

30 working days from the time the taxable act or contract is formalised.

BONUSES

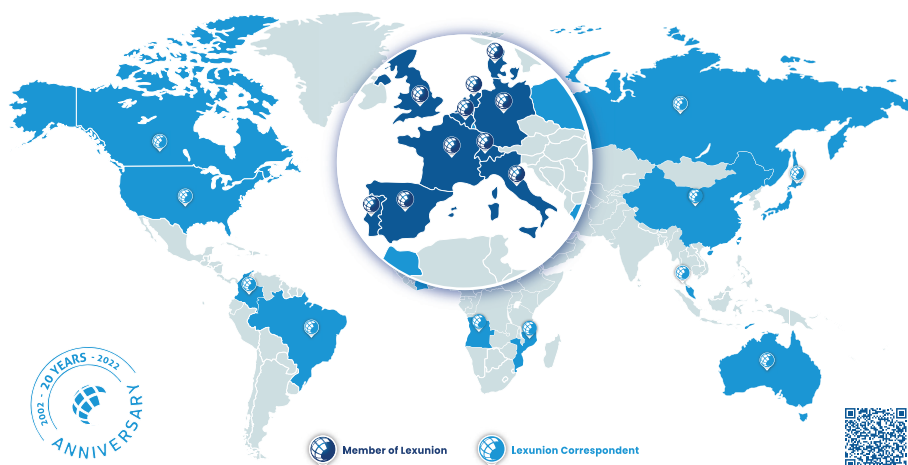
ACQUISITION OF PRINCIPAL RESIDENCE	→ 10% from 01/01/2019 applicable to individuals: Value of the property acquired must be equal to or less than €250,000.00. IMPORTANT: Discount incompatible with the application of the 4% rate (acquisitions by large families).
ACQUISITION OF USED MOVABLE PROPERTY	→ 100% from 01/01/2019 applicable to individuals: value of the furniture must be less than €500 and they are exempt from submitting the self-assessment. IMPORTANT: Allowance not applicable if: • Acquired property is intended for a business or professional activity. • Acquisition of goods made of precious metals or acquisition of vehicles.

7 | PROPERTY DIVISION

CONSTITUTION	EXTINCTION
→ TEMPORARY USUFRUCT : Taxable base: this is calculated by applying 2% for each period of the year to the total value of the goods, not exceeding 70%. Fractions of time of less than one year are not taken into account. In cases where it is less, 2% of the value of the goods shall be taken into account. → LIFE USUFRUCT : Estimated value equal to 70% of the total value of the assets when the usufructuary is less than 20 years old. Decreases by 1% for each additional year as age increases, with a minimum limit of 10% of the total value. IMPORTANT: Value of the right of bare ownership = difference between the total value of the assets and the value of the usufruct.	→ The extinction of the usufruct produces the consolidation of the domain. → The bare owner must pay tax on the value of the right that enters his estate. → Constitution of the usufruct for valuable consideration: if the usufruct is extinguished due to the expiry of the term or death of the usufructuary, the bare owner must pay tax on it. → The value of the property at the time of the consolidation of ownership will be taken into account.

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