

When I was sold the property the estate agent told me that as I was non resident and paid my taxes in the UK, that I wasn't liable for Spanish taxes?

Unfortunately, this is not correct as not only is every non resident liable to pay wealth tax, you are also liable to renta tax, and if you rent the property to income tax. TIBC failed to sell a property to one client, because the other agent told them that if they brought from them that they would not be liable for tax!! And that's a true story.

Do I legally require a fiscal representative?

If you own more than one property, then yes as a non resident you are legally bound to hire a fiscal representative. If you own only one, then the legal answer is no, but unless you enjoy filling in tax forms in Spanish correctly, bearing in mind the number of changes that get made to these forms, you would be well advised to have a fiscal representative.

Will you remind me?

Yes, TIBC will send you an email, fax or letter each year with the total amount of tax due and our fees. You can either make your payment by Spanish cheque, transfer into our clients account, direct debit, or cash in our office.

Can you pay my rates for me as well?

Yes we can, although local rates offices do not issue the amounts owing until the due date i.e. 3rd May, We can estimate how much they will be and include it with your tax reminder. However, if we pay your rates for you, we must have your payment by the middle of April each year.

My neighbour doesn't pay any taxes, why should I?

Then with the greatest of respect we suggest you give them a copy of this leaflet. If and when you come to sell the property, the tax office will retain 5% against any possible capital gains taxes and you only stand a chance of getting some or all of this back, if you have paid your annual dues. If you try and make a reclaim, and you have not paid your taxes, the tax office will insist that all back taxes are paid INCLUDING THEIR FINES AND INTEREST PAYMENTS before they will consider making any repayment to you.

Our services

- Property sales
- Property rentals
- Corporate Company setup
- Self employed businesses
- Accountancy and non resident taxation
- Insurance: Home, Contents, Life, Pension, Comercial, Travel, Health, Community, Car
- Fiscal Representation
- Wills, Powers of Attorney etc
- NIE's and Residents permits
- Spanish banking facilities
- Spanish Mortgages
- Translations
- Property Searches
- Independant conveyancing

TENERIFE INTERNATIONAL BUSINESS CENTRE SL

C/CANDIDA PEÑA 8
LAS GALLETAS
ARONA 38631
TENERIFE

Phone: (0034) 922 730210

Fax: (0034) 922 731408

E-mail: info@tibc-sl.com www.tibc-sl.com

**TENERIFE
INTERNATIONAL
BUSINESS
CENTRE SL**



*TIBC'S
GUIDE
TO
NON RESIDENT
TAXATION*

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One of the vital elements of owning a property in Tenerife is keeping on the right side of the tax man.



A snow covered Teide in 2005

Yes even here we all have to pay our taxes and don't let anyone tell you differently.

Spain being Spain, reminders are not sent out by the "Hacienda" (Tax office). You are expected to remember that you owe them

money. That's where The Tenerife International Business Centre comes in.....

We will send you a reminder each year, complete with all the tax return details and ensure that the tax man is kept at bay and we only need a little help from you.



Don't let the tax man freeze you out!

What we initially need from you is:

- **A copy of each owners passport**
- **A copy of each owners NIE number**
- **A copy of your deeds (for each property) if you are lucky enough to own more than one.**
- **A copy of the last rates payment made to the town hall. Rates are also known as Urbano or IBI.**
- **Details of your mortgage (if you have one)**
- **Full contact details, home address, telephone, fax and email.**
- **Complete the fiscal representation form giving us authority to pay your taxes for you.**

Then annually we need the following information:

- **A copy of your rates, if they are not paid by TIBC**
- **Details of the outstanding balance as of 31st December the previous year—for the duration of your mortgage.**



You too can then relax around the pool and not worry about the tax man.

The tax year in Spain differs from the UK's April to April year. It coincides with the calendar year, i.e January to December. Taxes are then paid during the year following.

If you own one property, your taxes can be paid anytime up to 20th December (CUT off date for TIBC), giving us time to prepare the return before we close for our annual Christmas break, thus ensuring the tax man gets his Money from us before the cut-off time and a fine being levied.

If you own more than one property, your taxes have to be paid before the 30th June annually (TIBC cut off date is 20th June) but be careful here.

If you own an apartment that has a garage/storeroom listed on the deeds as two separate entries (i.e. two separate finca numbers) then you officially own two properties, as you could legally separate the garage from the property and sell it independently. In this case you fall into the two property category and your taxes have to be paid before the end of June.

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ARONA 38631
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E-mail: info@tibc-sl.com
Www.tibc-sl.com

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