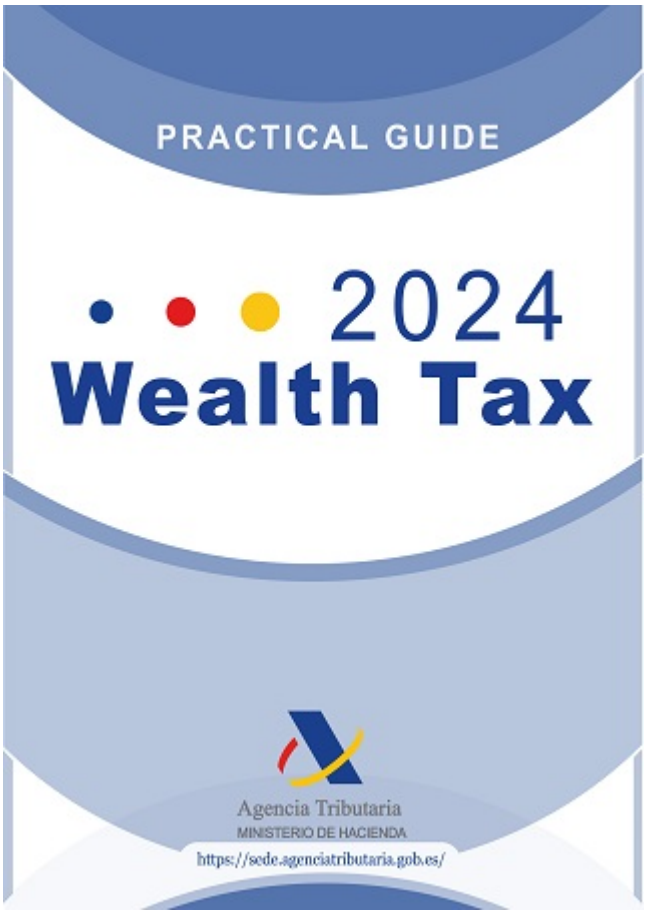
Practical Manual for Heritage 2024.



This publication is for informational purposes only.

Contents

- **Publication Identification Number (NIPO)**
- **Filing**
- **Main News**
- **Chapter 1. 2024 Wealth Tax Return Campaign**
  - **Who is required to file the Wealth Tax return (IP)?**
  - **Self-assessment of the Wealth Tax: presentation standards**
  - **Payment of the Wealth Tax debt levies**
- **Chapter 2. General issues**
  - **Introduction**
  - **Wealth Tax**
  - **Transfer of Wealth Tax to Autonomous Communities**
  - **Wealth Tax Accrual**
  - **Who is subject to the Wealth Tax?**
  - **Exemptions**
  - **Ownership of assets**

- **Wealth Tax Settlement Scheme**
- **Chapter 3. Determination of the tax base (net worth)**
  - **Previous issue: rules for the valuation of assets acquired, located or deposited abroad**
  - **Formation of gross assets: rules for the valuation of assets and rights**
  - **Deductible debts**
  - **Net worth (tax base)**
- **Chapter 4. Determination of the liquidable base and the full fee**
  - **Determination of the liquidable base: reduction by exempt minimum**
  - **Determination of the full fee**
- **Chapter 5. Determining the amount to be paid**
  - **Full quota limit and minimum Wealth Tax quota**
  - **Regional deductions and bonuses**
  - **Deduction for taxes paid abroad**
  - **Toll bonus in Ceuta and Melilla**
- **Regulations**
  - **Basic state regulations**
  - **Regional regulations in relation to the Wealth Tax (legal provisions)**
- **Glossary of abbreviations**

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Filing

One of the main objectives of the State Tax Administration Agency is to minimise the compliance costs that citizens must bear in their relations with the Public Treasury.

True to this purpose, and to make it easier for taxpayers to comply with their tax obligations, the Tax Agency is making available the edition of the Wealth Tax Manual for the 2024 fiscal year adapted to HTML (Hypertext Markup Language), prepared by the Tax Management Department.

The Manual responds to the intention of disseminating the Wealth Tax through a rigorous, comprehensive and updated vision of the tax.

Furthermore, its preparation in this digital HTML format seeks to achieve three basic objectives that have been repeatedly requested by taxpayers.

The first objective is its web accessibility, that is, to ensure that access to it is possible for the maximum number of people, regardless of their knowledge or personal or physical abilities and regardless of the technical characteristics of the equipment used to access the web.

The second objective is to simultaneously enable and make available to taxpayers the contents of the Manual in other languages or co-official languages.

The third and final objective is to optimize the use of the Manual's content, since HTML makes it easier to find the information that taxpayers wish to consult regarding the tax. In addition, it achieves efficient use of the Manual by avoiding duplication of documents on the Tax Agency's website on the same topics, reducing excess storage and the need to keep updating a plurality of comparatively coincident documents.

The advantages of the HTML Manual and the need to avoid discrepancies between the contents of the paper and HTML versions led to the decision in the 2020 campaign to eliminate the paper version of the Wealth Tax (which was included in the Practical Income Manual) and maintain only the HTML version. A significant factor in this decision was the new functionality incorporated in the HTML version that allows the manual to be generated in PDF format. This PDF document, which, both due to its visual aesthetics (very similar to that of the paper Manual) and because it can be printed on paper if desired, meets the demand that could be raised by taxpayers accustomed to handling the printed edition.

Taxation Management Department

Main News

- **Deadline for filing returns:**

  The deadline for submitting self-assessments for the Wealth Tax for the year 2024 , regardless of the result (payable or negative), is between April 2 and June 30, 2025 , both inclusive.

  However, if the result of the declaration is to be paid and its payment is direct debited, the presentation cannot be made after June 25, 2025 .

- **Taxable base: reduction by exempt minimum**

  - Effective January 1, 2024, the Autonomous Community of the Balearic Islands has raised the exempt minimum from €700,000 to €3,000,000.

  - The Autonomous Community of Extremadura has adapted the references made to judicial incapacitation, for the purposes of applying the exempt minimum, to court rulings establishing representative guardianship of persons with disabilities, as established by Law 8/2021 reforming the Civil Code.

- **Autonomous scales**

  As a result of the extension of the ITSGF (Tax Income Tax) carried out by Royal Decree-Law 8/2023, of December 27, the scales approved on a temporary basis by the Autonomous Communities of Catalonia and Galicia will continue to apply in 2024, for the duration of the tax's validity.

  The Autonomous Community of Andalusia, through Law 7/2024, of December 23, on the Budget for the year 2025, has repealed the regional tax scale established in article 25 of Law 5/2021, of October 20, so that the scale regulated by article 30 of Law 19/1991, of June 6, on the Wealth Tax will be applied on a supplementary basis.

- **Regional bonuses**

  - The Community of Andalusia has modified the transitional regime applicable while the ITSGF is in force, such that with regard to regional bonuses, n the general bonus established in article 25 bis of Law 5/2021 will not be applicable, but instead the taxpayer may apply to the resulting wealth tax quota a bonus determined by the difference, if any, between the total full quota of the tax itself, once the joint limit established in article 31 of Law 19/1991, of June 6, has been applied, and, where applicable, the total full quota that would correspond to the temporary solidarity tax on large fortunes, once the joint limit established in article 3 has been applied. Twelve of Law 38/2022, of December 27.

- The Autonomous Community of Cantabria has approved a general 100% discount on the reduced tax rate, although this will not apply when the taxpayer's net assets exceed €3,000,000 after deducting the exempt minimum of €700,000, and their mere holding constitutes a taxable event for a state tax (the ITSGF). In these cases, a bonus will be applied instead, determined by the difference, if any, between the total full amount of the tax itself, once the joint limit established in article 31 of Law 19/1991, of June 6, has been applied, and the total full amount corresponding to the ITSGF, once the joint limit established in article 3 has been applied. Twelve of Law 38/2022, of December 27.

- Also, please note that as a result of the extension of the ITSGF (Tax Income Tax) to the 2024 tax period implemented by Royal Decree-Law 8/2023, of December 27, the transitional regime approved in 2023 by the Autonomous Communities of Andalusia, Galicia, and Madrid for the purposes of applying their regional tax credits continues to apply. Please note that the Autonomous Community of Andalusia has modified the aforementioned transitional regime, which will take effect on the 2024 Wealth Tax.

Chapter 1. 2024 Wealth Tax Return Campaign

Who is required to file the Wealth Tax return (IP)?

Regulations: Art. 37 Wealth Tax Law

Those taxpayers, whether they are taxpayers by personal obligation or real , in which any of the following circumstances occur, are required to file a return for the Wealth Tax:

a. **Your tax rate** , determined in accordance with the regulations governing this tax, and **once the applicable deductions or bonuses have been applied, results in** to be paid or,

b. **When** , the above circumstance not occurring, the **value of his/her assets or rights** , determined in accordance with the regulations governing the Tax, **is greater than 2,000,000 euros** .

For the purposes of applying the first limit [circumstance a)], it should be noted that if the taxable base, determined according to the tax rules, is equal to or less than the established exempt minimum, either in general terms of **700,000 euros** , or in the amount that the Autonomous Communities have approved for their residents in the exercise of their regulatory powers on the aforementioned exempt minimum (See Chapter 2 in this regard), there will be no obligation to declare. Likewise, in order to determine whether or not this circumstance occurs, consideration must be given to the deductions or bonuses on the full tax rate approved by some Autonomous Communities (Chapter 2). All of this provided that the gross assets do not exceed **2,000,000 euros** .

As regards the application of the second limit [circumstance b)], all the assets and rights of the taxpayer must be taken into account, whether or not they are exempt from tax, computed without considering the charges and liens that reduce their value, nor the debts or personal obligations for which the taxpayer must respond.

Residents of Spanish territory who take up residence in another country may choose to continue paying personal tax in Spain on all assets and rights of economic content that they own as of December 31, regardless of where the assets are located or where the rights can be exercised. The option must be exercised by filing the declaration in the first year in which the person ceased to be a resident in Spanish territory.

> ***Note:*** *The option may also be exercised by those taxpayers who ceased to be residents in Spanish territory in the years in which the tax on wealth was eliminated (2008 to 2010, both inclusive) and chose at the time to continue paying taxes in Spain due to personal obligation.*

Likewise, the **subjection to the Wealth Tax by real obligation** of IRPF taxpayers who choose to pay the Non-Resident Income Tax must be taken into account, while maintaining the status of taxpayers for the IRPF , in accordance with the special regime for **"workers posted to Spanish territory"** established in article 93 of the IRPF Law and the special features in the taxation of non-resident taxpayers in accordance with the provisions of the Fourth Additional Provision of the Wealth Tax Law.

Self-assessment of the Wealth Tax: presentation standards

Filing period

The deadline for filing Wealth Tax self-assessments for 2024 is the same for all of them, regardless of the outcome (due or negative).

This period is between April **, 2025, and June** , 2025, both inclusive.

However, if the result of the declaration is to be paid and **your payment is direct debited, the presentation cannot be made after June 25, 2025.**

Way of filing: Mandatory online submission

Obligation to submit electronically via the Internet

Taxpayers of the Wealth Tax **must compulsorily submit electronically via the Internet** the declaration corresponding to this tax (form 714).

Likewise, when filing a return for the Wealth Tax, taxpayers of IRPF **will be required to electronically submit, via the Internet or by telephone, the corresponding return or the draft thereof** .

Electronic filing via the Internet

The Wealth Tax return must be submitted electronically via the Internet, in accordance with the provisions of sections a) and c) of article 2 of Order HAP /2194/2013, of November 22, regulating the procedures and general conditions for the submission of certain self-assessments, information returns, census returns, communications and refund requests, of a tax nature, taking into account the following:

a. **Self-assessments of the Wealth Tax must be completed using the web form of model 714** which can be accessed using the "Wealth Declaration Processing Service" option, available at the Electronic Headquarters of the State Tax Administration Agency, at the electronic address https://sede.agenciatributaria.gob.es .

b. Electronic **filing via the Internet** can be done using the following electronic identification, authentication and signature systems:

- **Recognized electronic certificate issued** in accordance with the provisions of Article 2. a).1.º of Order HAP /2194/2013, of November 22.
- **Cl@ve Mobile System** in accordance with the provisions of article 2. a).2nd of Order HAP /2194/2013, of November 22.

  See Order PRE /1838/2014, which publishes the Agreement of the Council of Ministers of 19 September 2014, approving Cl@ve, the common platform of the State Public Administrative Sector for identification, authentication and electronic signature through the use of agreed keys (BOE of 9 October).

- **Reference number** : As in previous years, they may also be submitted electronically over the Internet by providing the Tax Identification Number (NIF) of the taxpayer or taxpayers and the reference number or numbers made available to the taxpayer by the State Tax Administration Agency for the IRPF .
- **eIDAS**

  New for 2024, citizens can also identify EU using eIDAS authentication, system that allows citizens of an country to use their national electronic ID to carry out procedures on the Tax EU's e-Office, including filing Wealth Tax return.

  See for this purpose Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC.

Payment of the Wealth Tax debt levies

Without prejudice to the possibility of requesting the deferral or payment installments provided for in article 65 of Law 58/2003, of December 17, General Tax Law, developed in articles 44 and following of the General Collection Regulation, approved by Royal Decree 939/2005, of July 29 (BOE of September 2), payment of the tax debt resulting from the Wealth Tax may be made **by debit or charge to an account or by direct debit** (please note that direct debit may be made from April 2 to June 25, 2025, inclusive) and, as a new feature in 2024, payment by card or by instant transfers made through secure e-commerce platforms (BIZUM) will be accepted.

Likewise, the payment or extinction of tax debts may be carried out:

- Through **the delivery of assets that are part of the Spanish Historical Heritage** that are registered in the General Inventory of Movable Property or in the General Registry of Assets of Cultural Interest, in accordance with the provisions of article 73 of Law 16/1985, of June 25, of the Spanish Historical Heritage (Art. 36.two Wealth Tax Law).

- **By offsetting tax credits recognized** by administrative act in favor of the same taxpayer, under the terms provided in articles 71 et seq. of the General Tax Law and in accordance with the conditions and procedure established in articles 55 et seq. of the General Collection Regulations.

  In accordance with the above, please note that offsetting debts and tax credits will only be possible when said credits have been recognized in favor of the same taxpayer by the same administration responsible for managing and collecting the debts that are the subject of the offset request.

- **Payment, upon acknowledgement of debt, by bank transfer.**

  > ***Remember:*** *Taxpayers who do not have an open account in any collaborating credit institution may carry out direct debit in a non-collaborating institution belonging to the Single Euro Payments Area (SEPA).*
  >
  > *See in this regard Order HFP /387/2023, of April 18, which modifies Order EHA /1658/2009, of June 12, which establishes the procedure and conditions for the direct debit of payment of certain debts through credit institutions that provide the service of collaboration in the collection management of the State Tax Administration Agency.*

  The taxpayer who DOES NOT have an open account in one of the credit institutions that act as collaborators in the collection management , may pay the entire tax debt resulting from the Wealth Tax declaration, upon recognition thereof, by bank transfer, in accordance with the provisions of the Resolution of January 18, 2021, of the General Directorate of the State Tax Administration Agency, which defines the procedure and conditions for the payment of debts through transfers through collaborating entities in the collection management entrusted to the State Tax Administration Agency.

  In the event that it is detected that the transfer has been made from an account opened in an entity collaborating with the AEAT, said transfer will be returned to its original account and the payment made will not have any effect, with the legal consequences that this could entail for the settled/self-assessed debt. In this case, you must choose another payment method.

  You can find more information about this transfer payment procedure at: https://sede.agenciatributaria.gob.es/Sede/en_gb/deudas-apremios-embargos-subastas/pagar-aplazar-consultar/pagos-transferencias-especial-extranjero.html

  Likewise, as previously stated, in cases where you do not have an open account in any credit institution that acts as a collaborator in the collection management, you may make the payment by direct debit in an account opened in a non-collaborating entity of the Single Euro Payments Area (SEPA Area) under the terms provided for in Order EHA/1658/2009, of June 12.

In cases where the taxpayer does not make the payment at the time of filing the declaration, as it is a tax transferred to the Autonomous Communities, the processing of the amount pending payment must be carried out by the taxpayer before the Autonomous Community corresponding to his habitual residence. To this end, you must submit a written request to the corresponding Autonomous Community.

Liability of the depositary or manager of the taxpayer for real obligation

Regulations: Art. 6.Three Wealth Tax Law

When taxpayers due to real obligation must file a declaration for the Wealth Tax, the depositary or manager of the assets or rights of non-residents shall be jointly liable for the payment of the tax debt corresponding to this tax for the assets or rights deposited or whose management is entrusted to them, in accordance with the terms set forth in article 42 of the General Tax Law.

Chapter 2. General issues

Introduction

The Wealth Tax was established by Law 19/1991, of June 6, and was materially payable until January 1, 2008, date from which Law 4/2008, of December 23, by which the Wealth Tax was abolished, the monthly refund system was generalized in the Value Added Tax and other modifications were introduced in the tax regulations (BOE of December 25), eliminated the obligation to contribute thereto, through the formula of establishing a state bonus of 100% on its full quota and repealing the formal obligations relating to the self-assessment of the tax, the filing of the declaration and, where appropriate, the payment of the tax debt.

However, the effects of the economic crisis led to its temporary recovery through Royal Decree-Law 13/2011, of September 16 (BOE of September 17) which initially contemplated its restoration only for the years 2011 and 2012.

Following its reestablishment, its application was extended for successive years **until Law 11/2020, of December 30,** of the General State Budget for the year 2021 (BOE of December 31) in its first repealing provision has come to establish the **indefinite maintenance** of the Wealth Tax. To this end, the second section of the sole article of Royal Decree-Law 13/2011 is repealed with effect from 1 January 2021.

Wealth Tax

Regulations: Articles 1, 2.1 and 3 Wealth Tax Law

The **Wealth Tax** is a direct tax of a personal nature that **taxes the net worth of individuals** .

The net worth of a natural person is the set of assets and rights of economic content of which he or she is the owner, after deducting the charges and liens that reduce their value, as well as the debts and personal obligations for which the owner must respond.

Furthermore, it is presumed that the assets and rights that belonged to the taxpayer at the time of the previous accrual are part of the taxpayer's assets, unless there is proof of transfer or loss of assets.

The Wealth Tax is applied throughout the national territory , without prejudice to the tax regimes of Economic Agreement and Convention in force in the Historical Territories of the Basque Country and the Foral Community of Navarre, respectively, and the provisions of the International Treaties or Conventions that have become part of the internal legal system.

Transfer of Wealth Tax to Autonomous Communities

Regulations: Art.2.2. Wealth Tax Law

The Wealth Tax is a tax whose income is entirely ceded to the Autonomous Communities, under the terms established in Organic Law 8/1980, of September 22, on the Financing of the Autonomous Communities (LOFCA), last amended by Organic Law 3/2009, of December 18 (BOE of December 19), and in Law 22/2009, of December 18, which regulates the financing system of the Autonomous Communities of the common regime and Cities with Statute of Autonomy and modifies certain tax regulations (BOE of December 19).

As a result of the transfer, **the Autonomous Communities will be able to assume regulatory powers over the minimum exemption, tax rate and deductions and bonuses of the quota.**

The deductions and bonuses approved by the Autonomous Communities will, in any case, be compatible with those established in the state regulations governing the tax and may not entail a modification of the same. These regional deductions or bonuses are applied after those regulated by state regulations.

If the Autonomous Communities do not make use of the regulatory powers over this tax, the State regulations will apply instead.

Furthermore, it should be noted that Law 41/2003, of 18 November, on the Protection of the Assets of Persons with Disabilities and the amendment of the Civil Code, the Civil Procedure Law and the Tax Regulations establishes, in its Second Additional Provision, that the Autonomous Communities may declare an exemption from the Wealth Tax on the assets and rights that make up the protected assets of persons with disabilities.

> As a consequence of the introduction by Law 13/2023, of May 24 (BOE of May 25) of the Third Additional Provision in Law 41/2003, the **presumption** is established that the person with a disability for whose benefit the protected assets are constituted is the owner of the assets and rights that make up said assets and that contributions made to them by persons other than said owner constitute transfers to them for profit.

Wealth Tax Accrual

Regulations: Art. 29 Wealth Tax Law

The Wealth Tax is due on December 31 of each year and affects the assets owned by the taxpayer on that date .

Consequently, there is no actual tax period for this tax. Thus, the death of a person on a day other than December 31 means that the tax is not accrued in that year.

Finally, it should be noted that the estate is taxed as part of the assets of the heirs or legatees, without them having to file a Wealth Tax return on behalf of the deceased.

Who is subject to the Wealth Tax?

Passive subjects due to personal obligation

Regulations: Art. 5 Wealth Tax Law

The following are subject to the Wealth Tax by personal obligation:

A. Natural persons **who have their habitual residence in Spanish territory.**

However, when a resident in Spanish territory takes up residence in another country, he or she may choose to continue paying personal taxes in Spain. This option must be exercised by submitting the declaration due to personal obligation in the first year in which the person ceased to be a resident in Spanish territory.

B. **Natural persons of Spanish nationality with habitual residence abroad who are taxpayers of IRPF .**

They are natural persons of Spanish nationality, as well as their legally non-separated spouse and minor children, who have their habitual residence abroad due to their status as:

- Members of Spanish diplomatic missions, either as Head of Mission or as members of the diplomatic, administrative, technical or service staff of the mission.
- Members of the Spanish Consular Offices, either as Head of the same or as civil servants or service personnel assigned to them, with the exception of Honorary Vice Consuls or Honorary Consular Agents and the personnel dependent on them.
- Holders of official positions or employment in the Spanish State as members of permanent Delegations and Representations accredited to International Organizations or who form part of Delegations or Observer Missions abroad.

- Active civil servants holding official posts or employment abroad which is not diplomatic or consular.

However, the persons previously listed will not be subject to the tax due to personal obligation when, not being active public officials or holders of an official position or employment, they already had their habitual residence abroad prior to acquiring any of the conditions listed in letters a) to d) above.

In the case of spouses who are not legally separated and minor children, they will not be subject to the tax due to personal obligation if they already had their habitual residence abroad prior to the acquisition by the spouse, father or mother of any of the conditions listed in letters a) to d) above.

Assets and rights that must be declared

In general, these taxpayers must declare all the assets and rights of economic content that they own as of December 31, regardless of where the assets are located or where the rights can be exercised, deducting any real charges and liens that reduce the value of the respective assets and rights, as well as any personal debts and obligations for which the declarant must respond.

Taxpayers by real obligation

Regulations: Art. 5. One.b) Wealth Tax Law

The following are subject to the Wealth Tax by real obligation:

A. Natural persons who **do not have their habitual residence in Spain.**

Natural persons who do not have their habitual residence in Spain and are the owners of assets or rights that are located, can be exercised or must be fulfilled in Spanish territory.

Special features of taxation of non-resident taxpayers in Spanish territory

Regulations: Fourth Additional Provision of the Wealth Tax Law

All non-resident taxpayers (and not only those who are residents of a Member State of the European Union or the European Economic Area) have the right to the application of the regulations approved by the Autonomous Community where the highest value of the assets and rights they own and for which the tax is required is located, because they are located, can be exercised or must be fulfilled in Spanish territory.

> ***Note:*** *If you wish to opt for the application of the regional regulations on the Wealth Tax, you must mark box **[3]** on the declaration and indicate in box **[8]** the Key of the Autonomous Community or the City with a Statute of Autonomy in which you had your habitual residence in 2024.*

B. **Workers posted to Spanish territory covered by the special tax regime of article 93 of the IRPF Law**

These are individuals who have acquired tax residency in Spain as a result of their **move to Spanish territory** for work reasons and who, under the provisions of Article 93 of the Personal Income Tax Law, have chosen to pay Non-Resident Income Tax, maintaining their status as taxpayers under the Personal Income Tax , during the tax period in which the change of residence takes place and the following five periods.

> ***Important:*** *Since January 1, 2023, the special tax regime provided for in article 93 of the Income Tax Law for posted to Spanish territory has been modified to accommodate new groups (remote workers, entrepreneurs and qualified professionals) and extend the possibility of its application to members of the family nucleus of such taxpayers, such as spouses, children with disabilities or minors, and their parents, in the event that there is no marital bond. As a consequence of the above, if any of them opts to pay the Non-Resident Income Tax, they will be subject to the Wealth Tax by real obligation, and will therefore only pay taxes on the assets and rights located, which could be exercised or must be fulfilled, in Spanish territory.*

For these taxpayers, article 93.1.c) of the Personal Income Tax Law expressly provides that they are subject to the Wealth Tax by real obligation.

See Chapter 2 of the Practical Income Manual regarding the special tax regime for workers posted to the tax territory of Article 93 of the Law.

In this case, the taxpayer of the Wealth Tax has the right to apply the regulations approved by the Autonomous Community where he/she resides, which will be, given the tenor of the connection point established in Law 22/2009, of December 18, which regulates the financing system of the Autonomous Communities of the common regime and Cities with Statute of Autonomy and modifies certain regulations, the one corresponding to the IRPF on the date of accrual of the former. To determine which of the Autonomous Communities or Cities with a Statute of Autonomy the taxpayer has his or her habitual residence, see Chapter 2 of the Practical Income Manual.

> ***Note:*** *For taxpayers of the Wealth Tax who are subject to the special tax regime of article 93 of the Income Tax and for those who are non* ***residents in Spain [and pay*** *by real obligation], the application of the autonomous regulations constitutes a right and, therefore, an option* ***which they may exercise or not, although, if they do exercise it, they must apply all the regulations of the Tax approved by said Autonomous Community*** *To opt for the application of the regional regulations on the Wealth Tax, these taxpayers must mark an X in box* ***[12]*** *or box* ***[3*** *], as appropriate, of the declaration.*

Assets and rights that must be declared

In both cases, the declaration will refer exclusively to the assets or rights of which they are the owners, provided that they are located, can be exercised or must be fulfilled in Spanish territory, with the deduction of charges and liens of a real nature that affect said assets or rights, as well as debts for capital invested in them.

A debt arising from a personal loan contracted by a non-resident will be deductible to the extent that it is used to acquire a property located in Spain (taxpayer by real obligation), and this is proven by any legally valid means, in accordance with the provisions of Article 25.1 of the Wealth Tax Law, regardless of the type of loan granted

by the financial institution.

For these purposes, securities representing participation in the equity of any type of entity, not traded on organised markets, whose assets consist of at least 50%, directly or indirectly, of real estate located in Spanish territory, shall be considered to be located in Spanish territory.

To calculate the assets, the net book values of all the assets recorded will be replaced by their respective market values determined on the date of accrual of the Tax.

In the case of real estate, the net accounting values will be replaced by the values that must operate as the tax base of the Tax in each case, in accordance with the rules established in article 10 of the Wealth Tax Law .

In this case, the tax will be required exclusively for these assets or rights of the taxpayer, taking into account that only the charges and liens that affect these assets and rights that are located in Spanish territory or can be exercised or must be fulfilled in the same, as well as the debts for capital invested in the indicated assets, will be deductible.

Remember: *Taxpayers, whether by personal or real obligation, are only required to file the Wealth Tax return for 2024 if their tax liability, determined in accordance with the rules governing the tax and once any applicable deductions or bonuses have been applied, is payable, or when, if this circumstance does not occur, the value of their assets or rights, determined in accordance with the rules governing the tax, is greater than 2,000,000 euros.*

Exemptions

Regional exemptions for assets and rights forming part of the protected patrimony of persons with disabilities

Presumption:

As a consequence of the introduction by Law 13/2023, of May 24 (BOE of May 25) of the Third Additional Provision in Law 41/2003, the presumption is established that the person with a disability for whose benefit the protected assets are constituted is the owner of the assets and rights that make up said assets and that the contributions made to them by persons other than said owner constitute transfers to them for profit.

For taxpayers residing in the Autonomous Community of the Canary Islands

Regulations: Art. 29 bis Revised Text of the current legal provisions issued by the Autonomous Community of the Canary Islands on transferred taxes, approved by Legislative Decree 1/2009, of April 21

In addition to the exemptions mentioned above, taxpayers residing in the territory of the Autonomous Community of the Canary Islands may apply the exemption for assets and rights of economic content that meet the following requirements:

- That they are computed for the determination of their tax base and,
- That they form part of the taxpayer's specially protected assets, established under Law 41/2003, on the asset protection of persons with disabilities and the amendment of the Civil Code, the Civil Procedure Law and tax regulations for this purpose.

For taxpayers residing in the Community of Castilla y León

Regulations: Art. 11 Revised Text of the legal provisions of the Community of Castile and Leon on own and transferred taxes, approved by Legislative Decree 1/2013, of September 12

As in the previous case, taxpayers resident in the territory of the Community of Castile and Leon may apply the exemption of assets and rights of economic content that form part of the specially protected assets of the taxpayer, established under Law 41/2003, of November 18, on the asset protection of people with disabilities and the amendment of the Civil Code, the Civil Procedure Law and tax regulations for this purpose.

General exemptions from Article 4 of the Wealth Tax Law

Regulations: Art. 4 Wealth Tax Law

> ***Note:*** *Regarding the exempt assets and rights that must be included in the Wealth Tax declaration, the following must be noted: the relationship and valuation of exempt assets that correspond to business or professional assets, exempt shares in entities with or without trading on organized markets and the taxpayer's habitual residence. The rest of the exempt assets should not be included in the declaration.*

1. Spanish Historical Heritage Assets

Regulations: Art. 4.One Wealth Tax Law

The following are exempt assets that are part of the Spanish Historical Heritage are registered in the General Registry of Assets of Cultural Interest or in the General Inventory of Movable Assets, as well as those that have been classified as Assets of Cultural Interest by the Ministry of Culture, registered in the corresponding Registry.

However, in the case of Archaeological Zones and Historic Sites or Complexes, the exempt assets are only the following real estate assets:

- **In Archaeological Zones:** Real estate included as an object of special protection in the urban planning instrument referred to in article 20 of Law 16/1985, of June 25, on the Spanish Historical Heritage (BOE of June 29).
- **In Historic Sites or Complexes:** Real estate properties that are fifty years old or older and are included in the Catalogue provided for in Article 86 of the Urban Planning Regulations as an object of comprehensive protection under the terms provided for in Article 21 of Law 16/1985, of June 25, on the Spanish Historical Heritage.

2. Assets forming part of the Historical Heritage of the Autonomous Communities

Regulations: Art. 4.Two Wealth Tax Law

Assets that are part of the Historical Heritage of the Autonomous Communities and that have been classified and registered in accordance with the provisions of their regulatory standards are exempt.

3. Certain art objects and antiquities.

Regulations: Art. 4.Three Wealth Tax Law

For the purposes of applying the exemption, paintings, sculptures, drawings, engravings, lithographs or other similar works are considered to be works of art, provided that, in all cases, they are original works.

Likewise, **antiques are considered to be** movable, useful or ornamental property, excluding works of art, that are more than one hundred years old and whose fundamental original characteristics have not been altered by modifications or repairs carried out during the last one hundred years.

The following objects of art and antiques are declared exempt:

1. Those whose value is less than the amounts indicated:
    - 90,151.82 euros for paintings and sculptures less than 100 years old.
    - 60,101.21 euros in the case of paintings that are one hundred years old or more.
    - 60,101.21 euros for collections or sets of artistic, cultural objects and antiques.
    - 42,070.85 euros for sculptures, reliefs and bas-reliefs that are one hundred years old or more.
    - 42,070.85 euros in the case of collections of drawings, engravings, books, documents and musical instruments.
    - 42,070.85 euros for furniture.
    - 30,050.61 euros in the case of carpets, tapestries and historical fabrics.

- 18,030.36 euros for drawings, engravings, printed or handwritten books and single documents in any format.
- 9,015.18 euros in the case of single musical instruments of a historical nature.
- 9,015.18 euros in the case of antique ceramic, porcelain and glass objects.
- 6,010.12 euros for archaeological objects.

NOTE: For these purposes, please note Article 26.4 of Law 16/1985, of June 25, on Spanish Historical Heritage (BOE of June 29), which establishes the above exemption limits based on the economic value of the works and the category to which they belong.

2. Those that have been transferred by their owners on permanent deposit for a period of no less than three years to non-profit Museums or Cultural Institutions, for public exhibition, while they are on deposit.
3. The artist's own work as long as it remains in the author's estate.

4. Household furnishings

Regulations: Art. 4.Four Wealth Tax Law

goods are exempt, meaning personal and household effects, household utensils and other movable property for the taxpayer's private use.

Exceptions are:

- The jewerly,
- Luxury leather goods, cars,
- Two- or three-wheeled vehicles with a cylinder capacity equal to or greater than 125 cubic centimeters,
- Recreational or water sports vessels,
- Aircraft, and

> See in this regard the rules for the valuation of assets and rights in Chapter 3 of this Manual, section " Vehicles, jewellery, luxury furs, vessels and aircraft s".

- Art objects and antiques.

> See in this regard the rules for the valuation of assets and rights in Chapter 3 of this Manual, section " Works of art and antiques ".

5. Economic rights

Regulations: Art. 4.Five Wealth Tax Law

The following instruments are considered exempt from economic rights:

- The consolidated rights of the participants and the economic rights of the beneficiaries in a pension plan.
- The economic content rights that correspond to premiums paid to insured pension plans defined in article 51.3 of the Personal Income Tax Law .

  According to the aforementioned article 51.3 of the Personal Income Tax Law , insured pension plans are legally defined as insurance contracts that must meet the following requirements:

  a. The taxpayer must be the policyholder, insured and beneficiary. However, in the event of death, the right to benefits may be generated under the terms provided for in the regulations governing pension plans and funds.

  b. The contingencies covered must be only those provided for in article 8.6 of the consolidated text of the Law on the Regulation of Pension Plans and Funds approved by Royal Legislative Decree 1/2002, of November 29 (retirement; total and permanent incapacity for work in the usual profession or absolute and permanent incapacity for any work, and severe disability; death of the participant or beneficiary and severe or great dependency of the participant), and must have retirement as its main coverage under the terms established in article 49.1 of the IRPF Regulations .

  c. This type of insurance must necessarily offer an interest rate guarantee and use actuarial techniques.

  d. The policy conditions will expressly and prominently state that this is an insured pension plan. The name Insured Pension Plan and its acronym are reserved for insurance contracts that meet the requirements set forth in this Law.

  e. Policyholders of insured pension plans may, by unilateral decision, transfer their mathematical provision to another insured pension plan of which they are policyholders, or to one or more pension plans of the individual or associated system of which they are participants. Once the contingency has been reached, mobilization will only be possible if the conditions of the plan allow it. The procedure for carrying out the mobilization of the mathematical provision is regulated in article 49.3 of the IRPF Regulations.

- The economic content rights that correspond to contributions made by the taxpayer to the corporate social security plans regulated in article 51.4 of the Personal Income Tax Law .

  In accordance with article 51.4 of the Personal Income Tax Law , corporate social security plans must, in any case, meet the following requirements:

  a. The principles of non-discrimination, capitalization, irrevocability of contributions and attribution of rights established in section 1 of article 5 of the Revised Text of the Law on the Regulation of Pension Plans and Funds, approved by Royal Legislative Decree 1/2002, of November 29, will apply to this type of insurance contract.

  b. The policy will establish the premiums that the policyholder must pay, which will be charged to the insured.

  c. The policy conditions must expressly and prominently state that it is a Corporate Social Security Plan, with this designation reserved for insurance contracts that meet the legally established requirements.

  d. The contingencies covered must be only those provided for in article 8.6 of the consolidated text of the Law on Regulation of Pension Plans and Funds (retirement; total and permanent incapacity for work in the usual profession or absolute and permanent incapacity for any work, and severe disability; death and severe or great dependency of the participant), the main coverage must be retirement in the terms established in article 49.1 of the IRPF Regulations .

e. Company pension plans must offer an interest rate guarantee and use actuarial techniques.

- The rights of economic content derived from the premiums paid by the taxpayer to collective insurance contracts, other than company social security plans, which implement the pension commitments assumed by companies, in the terms provided for in the First Additional Provision of the consolidated text of the Law on Regulation of Pension Plans and Funds, and in its implementing regulations, as well as those derived from the premiums paid by employers to the aforementioned collective insurance contracts.

- The economic content rights that correspond to premiums paid to private insurance that covers dependency defined in article 51.5 of the IRPF Law .

  These are the premiums paid for private insurance that exclusively covers the risk of severe or high dependency in accordance with the provisions of the Law on the promotion of personal autonomy and care for people in situations of dependency.

- The rights of economic content derived from contributions to pan-European individual pension products regulated in Regulation (EU) 2019/1238 of the European Parliament and of the Council, of June 20, 2019, relating to a pan-European individual pension product.

  Final Provision 2 of Law 12/2022, of June 30, regulating the promotion of employment pension plans, which modifies the consolidated text of the Law on the Regulation of Pension Plans and Funds, approved by Royal Legislative Decree 1/2002, of November 29 (BOE of July 1), has added a new letter f) to article 4.Five of the Tax Law Assets to declare exempt pan-European individual pension products regulated in Regulation (EU) 2019/1238 of the European Parliament and of the Council.

***Remember** : When the Wealth Tax Law establishes the exemption of the consolidated rights of the participants and the economic rights of the beneficiaries in a pension plan, it refers only to the pension plans regulated in chapters I to II of the consolidated text of the Law on the Regulation of Pension Plans and Funds as well as those provided for in the second section of its Chapter July 2022, to contributions to pan-European individual pension products regulated in Regulation (EU) 2019/1238 of the European Parliament and of the Council, of 20 June 2019, relating to a pan-European individual pension product.*

*Therefore, vested rights and economic rights of pension plans established in **non-EU member states** will not be able to benefit from this exemption.*

6. Intellectual and industrial property rights

Regulations: Art. 4.Six Wealth Tax Law

derived from intellectual or industrial property are exempt, as long as they remain in the author's assets and, **in the case of industrial property,** as long as they are not related to business activities.

Clarifications:

- Industrial property protects trademarks and trade names, patents and utility models, industrial and topographic designs of semiconductors (Source: Spanish office of the patents and brand).

- Intellectual property is the set of rights that correspond to authors and other owners (artists, producers, radio and television organizations, etc.) with respect to the works and services resulting from their creation, and it is intended to protect original literary, artistic or scientific creations expressed in any medium, such as books, writings, musical compositions, dramatic works, choreographies, audiovisual works, sculptures, paintings, plans, models, maps, photographs, computer programs and databases. It also protects artistic performances, phonograms, audiovisual recordings and radio broadcasts. (Fountain: Ministry of Culture and Sport).

7. Securities owned by non-residents

Regulations: Art. 4.7 Wealth Tax Law

Securities belonging to non-residents whose income is exempt under the provisions of article 14 of the consolidated text of the Non-Resident Income Tax Law, approved by Royal Legislative Decree 5/2004, of March 5, are exempt.

In accordance with the provisions of the aforementioned article 14 of the consolidated text of the Non-Resident Income Tax Law, the following will be exempt, among others:

- Capital gains derived from movable property obtained without the mediation of a permanent establishment, by residents of another Member State of the European Union or in another State member of the European Economic Area or by permanent establishments of said residents located in another Member State of the European Union or in another State member of the European Economic Area.

  In the case of States that form part of the European Economic Area that are not Member States of the European Union, the above shall apply provided that there is an effective exchange of tax information under the terms set forth in Additional Provision 1.4 of Law 36/2006, of November 29, on measures for the prevention of tax fraud.

  The provisions of the preceding paragraph shall not apply to capital gains arising from the transfer of shares, interests or other rights in an entity in the following cases:

  1. That the assets of the entity consist mainly, directly or indirectly, of real estate located in Spanish territory.

  2. In the case of individual taxpayers, at any time during the 12-month period preceding the transfer, the taxpayer has participated, directly or indirectly, in at least 25% of the capital or assets of the entity.

  3. In the case of non-resident entities, the transfer does not meet the requirements for the application of the exemption provided for in article 21 of the Corporate Tax Law.

  The aforementioned exemption will also not apply in the case of capital gains obtained through countries or territories classified as non-cooperative jurisdictions.

> ***Note:*** *Please note that Law 11/2021, of July 9, on measures to prevent and combat tax fraud, transposing Council Directive (EU) 2016/1164 , of July 12, 2016, which establishes rules against tax avoidance practices that directly affect the functioning of the internal market, modifying various tax rules and regulations on gambling (BOE of July 10) has modified the first Additional Provision of Law 36/2006, of November 29, on measures for the prevention of tax fraud, to introduce the definition of country and territory that are considered non-cooperative jurisdiction that replaces that of a tax haven, with low or no taxation and effective exchange of tax information.*

It also establishes that references made in the regulations to tax havens, to countries or territories with which there is no effective exchange of information, or with zero or low taxation, will be understood to be made to the definition of non-cooperative jurisdiction in the First Additional Provision of this Law.

For these purposes, please note that Order HFP /115/2023, of February 9, determining the countries and territories, as well as the harmful tax regimes, that are considered non-cooperative jurisdictions (BOE of February 10), which updates the list of countries and territories that appear in Royal Decree 1080/1991, of July 5 , was published on February 11, 2023.

- Income derived from Public Debt, obtained without the mediation of a permanent establishment in Spain.
- Income derived from securities issued in Spain by non-resident individuals or entities without the mediation of a permanent establishment, regardless of the place of residence of the financial institutions that act as payment agents or mediate in the issue or transmission of the securities.

  However, when the holder of the securities is a permanent establishment in Spanish territory, the income referred to in the previous paragraph will be subject to this tax and, where applicable, to the withholding tax system, which will be applied by the resident financial institution that acts as depositary of the securities.
- Income derived from the transfer of securities or the reimbursement of shares in investment funds carried out on any of the official secondary Spanish securities markets, obtained by non-resident individuals or entities without the mediation of a permanent establishment in Spanish territory, who are residents of a State that has signed with Spain an agreement to avoid double taxation with an information exchange clause.

8. Business and professional assets.

Regulations: Art. 4.Ocho.Uno Law on Wealth Tax, and 1 to 3 Royal Decree 1704/1999, of November 5, which determines the requirements and conditions of business and professional activities and participations in entities for the application of the corresponding exemptions in the Wealth Tax

Business and professional assets are exempt , which includes the assets and rights of individuals necessary for the development of their economic, business or professional activity, provided that this is carried out regularly, personally and directly by the taxpayer and constitutes their main source of income.

The application of the exemption is conditional on the following requirements being met on the date of accrual of the tax (December 31):

1. That the assets and rights are affected by the development of an economic, business or professional activity, in accordance with the terms of article 29 of the Income Tax Law and of the Regulations of said tax.

   The leasing of real estate will be understood to constitute an economic activity when the requirements set forth in article 27.2 of the Tax Law are met, that is, when at least one person employed with a full-time employment contract is used to organize it.

According to the Supreme Court rulings of 12 March and 10 June 2009, active retirement does not, in principle, imply that the employee cannot devote his or her full working day exclusively to managing the property leasing activity, so it does not prevent the employee from being able to apply this exemption from the Wealth Tax, provided that he or she meets the requirements set out in article of the Income Tax Law (that is, provided that he or she regularly, personally and directly carries out said leasing activity), provided that the rest of the conditions provided for this are met.

The criteria for allocating assets and rights to the exercise of an economic activity are discussed in Chapter 6 of the Practical Manual on Income.

2. That the economic, business or professional activity to which said assets and rights are assigned is carried out regularly, personally and directly by the taxpayer who owns them.

   However, assets and rights common to both spouses will be exempt when used in the development of the business or professional activity of either spouse, provided that the rest of the requirements established by law are met.

   Unlike what is indicated for assets common to both spouses, in the case of entities under an income attribution regime in order to enjoy the exemption of the elements affected by the activity, it is necessary that each co-owner, participant or partner carry out the same in a habitual, personal and direct manner, in accordance with the regulations of the IRPF , and that they comply with the other remaining required requirements. Therefore, the partner, commoner or participant must carry out the activity regularly, personally and directly, and it must constitute their main source of income.

3. That the economic, business or professional activity constitutes the taxpayer's main source of income.

   It will be understood that the business or professional activity constitutes the main source of income when at least 50% of the amount of the general tax base and savings of the IRPF of the taxpayer, sum of boxes ***[0435]*** and ***[0460]*** of the IRPF declaration, comes from net income from the business or professional activities in question.

   For the purposes of calculating the main source of income, remuneration for management functions performed in entities in which, where applicable, there are shares exempt from this Tax, or any other remuneration arising from the taxpayer's participation in said entities, will not be taken into account.

   In the case of lucrative transfers of shares in family businesses, in order to apply the exemption from the Wealth Tax, it is necessary to compare the remuneration received by the taxpayer with the algebraic sum of all net income reduced from work and business and professional activities.

4. When a single taxpayer carries out two or more business or professional activities on a regular, personal and direct basis, the exemption will apply to all assets and rights related to them, considering that the main source of income is determined by the set of business or professional income from all of them.

> ***Note:*** *In the case of minors or persons with disabilities who are the owners of the affected assets, the requirements set out in numbers 2 and 3 above will be considered fulfilled when their legal representatives comply with them.*

Example

Mr. AHC In 2024, he regularly, personally, and directly carried out a business activity from which he obtained a net income of 29,000 euros. The general tax base of IRPF declared by Mr. AHC In this exercise it amounts to 60,000 euros. The value of all assets and rights related to the economic activity carried out, for the purposes of the Wealth Tax, is 200,000 euros.

Mr. AHC has received a total of 3,000 euros during 2024 for the performance of certain management functions entrusted to him by the Board of Directors of an entity in which he holds shares exempt from Wealth Tax.

Determine whether the assets and rights of Mr. AHC related to the business activity carried out by the same are or are not exempt from the Wealth Tax in 2024.

Solution:

For the calculation of the main source of income of Mr. AHC remuneration received for management functions performed in the entity in which the individual holds shares exempt from wealth tax is not taken into account. Therefore, 50% of the general tax base and savings of the IRPF of the taxpayer amounts to:

50% of (60,000 – 3,000) = 28,500 euros

The net income from the activity in the current year amounts to 29,000 euros, which is greater than 50% of the taxpayer's taxable base of IRPF . Consequently, assets and rights related to business activity are exempt from Wealth Tax in the 2024 financial year.

Comment : Since it depends on a certain level of income, it may happen that the same taxpayer is entitled to the exemption in a certain year and not in the next.

9. Participating interests in certain entities

Regulations : **Art. 4.Eight.Two Wealth Tax Law, and 4 to 6 Royal Decree 1704/1999, of November 5, which determines the requirements and conditions of business and professional activities and participations in entities for the application of the corresponding exemptions in the Wealth Tax**

Participations in certain entities, with or without trading on organized markets, are exempt, excluding participations in Collective Investment Institutions that meet the requirements and conditions indicated below and up to the exempt amount also discussed in one of the following sections:

Requirements and conditions for the exemption to apply

For the exemption to apply, the following requirements and conditions must be met on the date the tax is due (December 31):

1. That the entity, whether corporate or not, carries out an economic activity and its main activity is not the management of movable or immovable assets.

For these purposes, the case law established by the Supreme Court in its Judgment No. 1405/2024, of July 27, should be taken into account, in which it clarifies that, in those cases in which the economic activity of a company has been considered non-existent and its income has been attributed to the natural person partner, the principle of full regularization requires the competent Administration to settle the wealth tax that, if it assumes the previous consideration to deny the exemption of the shares in said company due to non-compliance with article 4.Eight.Two.a) of the Wealth Tax Law, it also take into account the impact that this has on the valuation of the shares (article 16 of the Wealth Tax Law), as a consequence of the variation in the value of the net assets.

An entity will be deemed to manage movable or immovable assets and, therefore, not carry out an economic activity when any of the following conditions occur for more than 90 days of the financial year:

- That more than half of its assets consist of securities or
- That more than half of its assets are not affected by economic activities.

  To determine whether there is economic activity or whether a patrimonial element is affected by it, the provisions of the Personal Income Tax will be followed. For these purposes, see articles 27 and 29 of the Personal Income Tax Law and 22 of the Personal Income Tax Regulations .

The value of both the assets and the assets not affected by economic activities will be the value deduced from the accounting, provided that the latter faithfully reflects the true financial situation of the company.

In the case of **group entities** , it is necessary that the requirements contained in article 27. 2 of the Personal Income Tax Law are strictly, directly and exclusively complied with by each of the companies whose exemption is sought, without them being understood to be complied with through a third company that, regardless of the degree of connection it has with the aforementioned companies, carries out the management work. Therefore, for the purposes of determining whether or not the lessor entity (which is part of a Group) has employees, the Supreme Court's labour doctrine of considering the Group of Companies as the sole employer does not apply, so it cannot be said that the lessor has employees because another entity in the Group to which it has entrusted the management of its assets does. See in this regard the criteria established by the TEAC in its Resolution of June 30, 2010 (Claim number 00/03979/2009, and reiterated in its Resolution of March 23, 2011, Claim number 00/00075/2009.

For the purposes of determining the portion of the asset that is made up of securities or unaffected assets , the following values will not be computed:

- Those possessed to comply with legal and regulatory obligations.
- Those that incorporate credit rights arising from contractual relationships established as a result of the development of economic activities.
- Those held by securities companies as a result of the exercise of the activity constituting their purpose.
- Those that grant at least 5% of the voting rights and are held for the purpose of directing and managing the participation, provided that, for these purposes, the corresponding organization of material and personal means is available, and the participating entity is not included in this letter.

Clarifications:

- From the expression "direct and manage participation" for the purposes of its consideration as a value, it seems reasonable to understand that it refers to those values that are held for this purpose, having an organization of adequate material and personal means to make the necessary decisions for their correct administration. In this sense, this organization is required not to control the management of the participating entities, but rather to exercise the rights and fulfill the obligations arising from the status of partner, as well as to make decisions regarding the participation itself. The important thing, for these purposes, will be that the entity has the material and personnel resources, albeit minimal, to handle the day-to-day management of the investee company through the proper administration of the shares held.

- Regarding what should be understood by the organization of material and personal resources, the very broad range of cases that business reality faces prevents the formulation of principles that, in a general way, can be applied to any economic operation. However, it seems reasonable to understand that these will be those that are sufficient for proper business practice based on the nature of the assets and rights in question. For these purposes, the provision of such means, even if minimal, can be considered sufficient, provided that they are used to manage the securities in question, although it should be noted that such management does not, in itself, imply the development of an economic activity.

Without prejudice to the foregoing, those whose acquisition price does not exceed the amount of undistributed profits obtained by the entity will not be counted as securities or as elements not affected by economic activities, provided that said profits come from the performance of economic activities, with the limit of the amount of profits obtained both in the year itself and in the previous 10 years.

For these purposes, dividends from the securities referred to in the last paragraph of the previous section are considered to be profits from economic activities, when the income obtained by the participating entity comes, at least, 90% from the performance of economic activities.

This assimilation between dividends from participating entities and profits from economic activities must be extended to income from the transfer of shares in entities, insofar as the aforementioned circumstances occur in these, since said income indirectly represents dividends that may be distributed at present or in the future by the participating entity.

2. **That the taxpayer's participation** in the capital of the entity is at least **5 percent** , computed individually, or **20 percent** jointly with his/her spouse, ascendants, descendants or second-degree collateral relatives, whether the relationship is based on consanguinity, affinity or adoption.

   When participation in the entity is joint with one or more of the persons indicated above, the management functions and the remuneration derived from them must be carried out by at least one of the persons in the family group, without prejudice to the fact that all of them have the right to exemption.

The exemption contained in Article 4. Eight. Two of the Wealth Tax Law are not understood to be applicable to participatory loans contracted with commercial entities, with or without listing on organized markets, under the conditions provided for in the aforementioned provision, given that participatory loans and the equity of commercial entities are not comparable. Criterion established in FJ.3 by the Supreme Court in its Judgment of March 30, 2021, issued in the appeal for cassation number. 5341/2019 (ROJ : STS 1255/2021).

For its part, the Supreme Court's ruling of July 14, 2016, appeal no. 2330/2015 (ROJ : STS 3776/2016) in its FJ6 establishes that this requirement does not result in the obligation that the subject who exercises the management functions must be the owner of the shares, which may belong to the family group. Once one member of the household meets this requirement, all members of the household will be eligible for the exemption. See in the same sense the Supreme Court Judgment of May 26, 2016, appeal no. 4027/2014 (ROJ : STS 2378/2016).

3. **That the taxpayer effectively exercises management functions in the entity** . For these purposes, the following positions will be considered management functions, which must be reliably accredited by the corresponding contract or appointment: President, General Director, Manager, Administrator, Department Directors, Counselors and members of the Board of Directors or equivalent body, provided that the performance of any of these positions implies effective intervention in the company's decisions.

   In the event that the holders of the shares or interests are minors or persons with disabilities, this condition will be considered fulfilled when their legal representatives comply with it.

4. **That** , for the management functions performed in the entity, **the taxpayer receives remuneration that represents more than 50%** of the total of his net income from work and economic activities corresponding to the fiscal year 2024.

   The following positions will be considered management functions, which must be duly accredited by the corresponding contract or appointment: President, CEO, Manager, Administrator, Department Directors, Board Members and members of the Board of Directors or equivalent governing body, provided that the performance of any of these positions involves effective intervention in the company's decisions.

   However, what is relevant is not so much the title of the position, but rather that said position entails administrative, management, direction, coordination, and operational functions of the corresponding organization. Criterion established by the Supreme Court in its ruling of January 18 on the appeal for the unification of doctrine 2316/2015.

   For the purposes of determining this percentage, the income from economic activities carried out on a regular, personal and direct basis by the taxpayer whose affected assets and rights enjoy exemption from this tax will not be taken into account.

   When the same person is the direct owner of shares in several entities in which the aforementioned requirements and conditions are met, the calculation of the 50% percentage will be carried out separately for each of said entities. That is, without including among the income derived from the exercise of management functions those obtained in other entities.

***Attention**: Once the aforementioned requirements have been met, the exemption may be applied not only by the holder of full ownership or bare ownership of the shares and interests, but also by the holder of the right of life usufruct over them.*

Exempt amount

Once the aforementioned requirements and conditions have been met, **the exemption extends to the total value of the shares** , provided that the entire net worth of the entity is allocated to the economic activity carried out.

In this case, the following rules must be taken into account to determine the amount of the exemption:

- The value of both the assets and the debts of the entity will be that which is deduced from its accounting, provided that this faithfully reflects the true financial situation of the entity, determining said values, in the absence of accounting, in accordance with the criteria of the Wealth Tax.

- To determine whether or not an asset is affected by an economic activity, the provisions of articles 29 of the Personal Income Tax Law and 22 of its Regulations will apply.
- In securities lending transactions, the securities loaned are not counted by the lender for the purposes of this exemption.

However, if the entity's assets contain assets and rights that are not related to the development of any economic activity, the exemption will only apply to the value of the shares in the part that corresponds to the proportion existing between the assets related to the exercise of an economic activity, less the amount of the debts derived from the activity, and the total value of the entity's net worth.

> For these purposes, those elements intended exclusively for the personal use of the taxpayer or any of the members of the family group referred to in number 3 above, or those that are transferred for a price below the market price to related persons or entities in accordance with the provisions of article 18 of the LIS are not considered to be affected elements.

In such cases, the following formula may be used to determine the value of the exempt shares:

Value of the shares x (net value of the affected assets ÷ net equity value of the activity)

Example: Exemption from holdings in certain entities

Mrs. VGC has obtained net income from work in the amount of 50,000 euros in the financial year 2024.

He has also obtained 120,000 euros in net income from the exercise of a professional activity that he carries out on a regular, personal and direct basis. The assets and rights related to the exercise of this activity are exempt from the Wealth Tax in said year when the requirements for this purpose are met.

Ms. VGC also holds a 33% stake in the share capital of the corporations "Alfa" and "Beta", which are not listed on the stock exchange and are not subject to the regime of asset-holding companies.

In both companies, he performs management functions, receiving the following remuneration in 2024 as employment income:

- SA "Alpha": 15,000 euros.
- SA "Beta": 76,000 euros.

According to the duly audited accounting records of SA "Beta", the net value of the entity's assets used for the development of its economic activity amounts to 2,000,000 euros in the 2024 financial year, with the total value of the entity's net assets in said financial year being 2,600,000 euros. Furthermore, according to the entity's accounting data, the value of Ms VGC's participation, for the purposes of the Wealth Tax, amounts to 150,000 euros.

Determine the value of the shares exempt from Wealth Tax in the 2024 fiscal year.

Solution

1. Participation percentage:

The owner of the shares meets the minimum percentage of participation required for the application of the exemption in each of the two companies.

2. Percentage of remuneration for management functions performed within each entity:

- SA "Alpha": 15,000 x 100 ÷ 65,000 = 23.08 per 100
- SA "Beta": 76,000 x 100 ÷ 126,000 = 60.32 percent

The percentage of remuneration is calculated separately for each of the entities, without taking into account in either case the net income from the economic activity carried out by Ms. VGC, whose assets and rights are exempt from Wealth Tax, or those obtained in the other entity.

In view of the percentages obtained, only the shares in SA "Beta" are exempt, as the remuneration for management duties performed in this company exceeds 50% of the net income from work obtained in the 2024 financial year.

3. Determination of the exempt amount of the participations:

Since there are assets and rights within the balance sheet of SA "Beta" that are not affected by the exercise of economic activity, the specific value of the exempt shares is determined as follows:

150,000 x 2,000,000 ÷ 2,600,000 = 115,384.62 euros.

10. Taxpayer's principal residence

Regulations: Art. 4.Four Wealth Tax Law

The taxpayer's habitual residence is exempt, to a maximum sum of 300,000 euros.

The exemption will be applied by the taxpayer who holds the right of ownership, full or shared, or a real right of use or enjoyment over the habitual residence (usufruct, use or habitation).

Taxpayers who hold rights that do not give rise to the use and enjoyment of the habitual residence (such as, for example, bare ownership, which only gives its holder the power to dispose of the residence, but not its use and enjoyment), will not be able to apply the habitual residence exemption.

For the purposes of applying the exemption, habitual residence is considered to be that in which the declarant resides for a continuous period of three years. However, the dwelling will be deemed to have had that character when, despite the said period not having elapsed, the

taxpayer dies or circumstances occur that necessarily require the change of dwelling, such as marital separation, job transfer, obtaining a first job or a more advantageous job or other similar circumstances.

Ownership of assets

Regulations: Articles 7 and 8 Wealth Tax Law

Since the Wealth Tax is a strictly individual tax and there is no joint taxation or accumulation of assets of spouses and minor children, it is necessary to define the criteria for attributing and imputing assets to the taxpayer. In this regard, the Tax Law establishes the following rules:

General criteria and rules of ownership in case of marriage

General criteria

Assets and rights, as well as charges, liens, debts and obligations shall be attributed to taxpayers according to the rules on legal ownership applicable in each case and based on the evidence provided by them or discovered by the Administration.

When the ownership of the assets or rights, as well as the charges, liens, debts and obligations, is not duly accredited, the tax authorities shall have the right to consider as the owner the person who appears as such in a tax register or other public register.

Likewise, the assets and rights that belonged to the taxpayer at the time of the previous accrual are presumed to be part of the assets, unless there is proof of transfer or loss of assets.

Ownership rules in case of marriage

In the case of marriage, the rules on legal ownership of property and rights contained in the provisions regulating the economic regime of marriage apply, as well as the precepts of civil legislation applicable in each case to property relations between family members.

The ownership of the assets and rights that, in accordance with the regulatory provisions or pacts of the corresponding economic regime for married couples are shared by both spouses, shall be allocated to each spouse equally, unless a different share split is proven. The charges, liens, debts and obligations will be attributed to the spouses according to the same criteria.

> The attribution between spouses of assets and rights related to the exercise of economic, business or professional activities is discussed in the section relating to the formation of gross assets when setting out the valuation of real estate related to economic activities in Chapter 3 of this Wealth Tax Manual.

Special cases of property ownership

Assets and rights of entities without legal personality

The assets and rights held by civil companies, unclaimed estates, community property and other entities that, lacking legal personality, constitute an economic unit or a separate patrimony susceptible to taxation, **will be attributed to the common partners or participants** , according to the regulations applicable in each case and if these are not recorded by the Administration in a reliable manner, they will be attributed in equal parts.

Goods or rights acquired with deferred payment

Regulations: Art. 8.One Wealth Tax Law

In the acquisition of assets or rights with deferred consideration, in whole or in part, the value of the asset resulting from the rules of this tax **will be attributed entirely to the purchaser of the same** , who will include among his debts the part of the deferred consideration.

For its part, the seller will include among its assets the credit corresponding to the portion of the deferred consideration.

> It is obvious that this postponement of payment, derived from the free will of the seller in agreement with the buyer, means the entry into the assets of the former of a new right which, together with the amount already received, replaces the one previously held over the alienated asset.

Example

Mr. AHM sells to Mr. PPJ a premises for 120,000 euros, receiving 70,000 euros in cash, which is invested in shares admitted to trading, and the remainder being deferred.

The average trading value of the shares acquired by Mr. AHM in the fourth quarter of the year amounts to 65,500 euros.

Determine the declaration of the buyer and seller of the aforementioned premises.

Solution

Statement by Mr. PPJ (buyer):

- Other urban properties (the acquired premises): 120,000
- Deductible debts (the debt with Mr. AHM): – 50,000

Statement by Mr. AHM (seller):

- Shares admitted to trading: 65,500
- Other assets and rights (the credit against Mr. PPJ): 50,000

Sale of goods with retention of title

Regulations: Art. 8.Two Wealth Tax Law

In the case of the sale of goods with reservation of title, as long as the ownership is not transferred to the purchaser, the latter's right will be computed by the total amounts that he has delivered up to the date of the accrual of the tax, with said amounts constituting debts of

the seller, to whom the value of the asset resulting from the tax regulations will be attributed.

Once full ownership of the property has been acquired, the valuation of the acquired property will be, for the purposes of its inclusion in the tax base, the highest of the following three values: the cadastral value, the value determined or verified by the Administration for the purposes of other taxes or the price, consideration or value of the acquisition.

Example

Mr. APH sells to Mr. JPA a premises, valued for the purposes of the Wealth Tax at 100,000 euros, for an amount of 120,000 euros, with a retention of title agreement, having received 70,000 euros on account, which is invested in shares admitted to trading with an average trading value for the fourth quarter of 65,500 euros.

Determine the declaration of the buyer and seller of the aforementioned premises.

Solution

Statement by Mr. JPA (buyer):

Other properties and rights (amount paid on account): 70,000

Statement by Mr. APH (seller):

- Other urban properties (the premises): 100,000
- Shares admitted to trading: 65,500
- Deductible debts (collected on account): – 70,000

Wealth Tax Settlement Scheme

Phase 1

(+) P A GROSS TRIMMONS (Total value of non-exempt assets and rights)
(-) DEDUCTIBLE DEBTS
= **TAXABLE BASE (NET WORTH)**

Phase 2

(-) REDUCTION FOR EXEMPT MINIMUM
= **TAXABLE BASE (NET WORTH SUBJECT TO GRA V AMEN)**

Phase 3

(x) APPLICABLE RATES ACCORDING TO GRA SCALE V AMEN
= **FULL FEE**

Phase 4

(-) REDUCTION FOR JOINT LIMIT WITH PERSONAL INCOME TAX
(-) DEDUCTION FOR TAXES PAID ABROAD
(-) BONUS CEUTA AND MELILLA
(-) DEDUCTIONS TO AUTONOMOUS
(-) BONUSES TO AUTONOMIC
= **RESULTING QUOTA (TO BE PAID OR ZERO)**

Chapter 3. Determination of the tax base (net worth)

Previous issue: rules for the valuation of assets acquired, located or deposited abroad

Before entering into a discussion of each of the legally established valuation criteria, it is advisable to point out, as a preliminary matter, the rules that must be used to proceed with the valuation of assets acquired, located or deposited abroad.

In the case of assets acquired, located or deposited abroad, in order to express their valuation in euros for the purposes of the Wealth Tax, the following specific rules must be taken into account, where applicable:

1. Assets whose valuation rules are based on acquisition value.

In the case of assets whose price, consideration or acquisition value is originally expressed in a currency other than the euro and one of these amounts must be computed for the purposes of this tax, the equivalent value in euros must be determined:

a. In the case of currencies other than those of the Member States of the European Union that have adopted the euro, based on the official euro exchange rate corresponding to the date of accrual of the tax published by the European Central Bank or, failing that, the last official exchange rate published previously.

> See Resolution of December 23, 2024, of the Bank of Spain, which publishes the euro exchange rates corresponding to December 23, 2024, published by the European Central Bank, which will be considered official exchange rates, in accordance with the provisions of article 36 of Law 46/1998, of December 17, on the Introduction of the Euro. (BOE 12-24-2024).

If there is no official exchange rate, the market value of the monetary unit in question will be taken as a reference.

b. In the case of currencies of the Member States of the European Union which have adopted the euro, according to the conversion rates irrevocably fixed between the euro and the currency in question contained in Council Regulation (EC) No 2866/98 of 31 December 1998 (OJEC of 31/12/98), taking into account for conversion and rounding the rules laid down in Council Regulation (EC) No 1103/97 of 17 June on certain provisions relating to the introduction of the euro.

2. Valuation of real estate located abroad.

In the case of real estate located abroad, the equivalent in euros of the price, consideration or acquisition value, determined in accordance with the provisions of rule 1 above, must be declared for this tax.

3. Deposits into accounts in currencies other than the euro.

Deposits in current or savings accounts, whether demand or term, will be computed by the balance they show on the date of accrual of the tax, unless the former is lower than the average balance corresponding to the last quarter of the year, in which case the latter will be applied.

For these purposes, the average balance shall be calculated in the currency in question, in accordance with the provisions of Article 12 of the Wealth Tax Law, and its equivalent in euros shall then be determined in accordance with rule 1.

> Regarding article 12 of the Wealth Tax Law, see the section " Deposits in current or savings accounts, sight or term deposits, financial accounts and other types of deposits in accounts " within the section "Formation of gross assets: "rules for the valuation of assets and rights" of this same Chapter.

4. Securities traded on organised markets located abroad.

There is no definition of “organized market” in either Spanish tax regulations or financial regulations relating to negotiable securities.

However, in the financial field, markets in which there is a set of rules and regulations that determine their operation are usually known as “organized markets.”

From this perspective, the concept of “organized market” is broader than that of “official secondary market” or “regulated market” referred to in article 42, section 2 a) of Law 6/2023, of March 17, on Securities Markets and Investment Services, (BOE of March 18), since, when it comes to shares or participations in entities, it also includes the so-called “multilateral trading systems”, as markets endowed with self-regulation that establishes their structure and operating system.

Regarding multilateral trading systems, their definition must be sought in the new Securities Market and Investment Services Law, Law 6/2023 of March 17, in its article 42.2 letter b), which provides:

> *“b) «multilateral negotiating system» (MNT): multilateral system, operated by an investment services firm or a market operator, which allows for the pooling—within the system and according to non-discretionary rules—of the various buying and selling interests in financial instruments of multiple third parties to give rise to contracts, in accordance with this Title.”*

In accordance with the above, it can be stated that the concept of "organized markets" referred to in Article 15 of Law 19/1991 is broader than that of the official secondary market or regulated market and includes the so-called "multilateral trading systems."

This is also evident from the inclusion in the Order that annually approves the list of traded securities with their average trading value corresponding to the fourth quarter, pursuant to the provisions of articles 13 and 15 of the Wealth Tax Law, of both shares that are traded on the

Spanish stock exchange and shares that are traded on the Alternative Stock Market (Spanish multilateral trading system). The explanatory memorandum of these orders establishes an equivalence between “organized markets” and “trading centers.”

For its part, Article 42 of the aforementioned Law 6/2023 defines trading venues as “multilateral systems authorized to operate by the National Securities Market Commission (CNMV) and by the Autonomous Communities with powers in matters of securities markets, understood as any system or device in which the various interests of purchase and sale of financial instruments of multiple third parties interact, whose operation must be governed by the provisions of this law and its implementing regulations.” And for the purposes of the same, it distinguishes between: regulated markets, multilateral trading systems and organised trading systems.

Based on the above, the concept of “organized markets” (current trading centers) is broader than that of official secondary market or regulated market (stock exchanges) and includes multilateral trading systems where securities are traded, and for these purposes the regulations applicable in the foreign location where the securities representing the participation in equity are located must be taken into account.

5. Securities representing participation in the equity of foreign entities, not traded on organised markets.

In the case of shares and interests in the share capital or equity of any type of foreign entity, not traded on Spanish organised markets, in order to determine the value resulting from capitalising at a rate of 20% the average of the profits of the three financial years closed prior to the tax accrual date, the average of said profits will be calculated in the corresponding currency, then determining its equivalent in euros in accordance with the provisions of rule 1.

Formation of gross assets: rules for the valuation of assets and rights

1. Real estate

Regulations: Art. 10 Wealth Tax Law

Real estate, both urban and rural, must be valued for the Wealth Tax in accordance with the following rules:

General rule of valuation

Real estate of an urban or rural nature will be computed taking as a reference the highest value of the following three:

a. **The cadastral value** recorded on the 2024 Real Estate Tax receipt.

b. **The value determined or verified** by the Administration for the purposes of other taxes, such as, for example, the Tax on Property Transfers and Documented Legal Acts or the Tax on Inheritances and Donations.

> ***Note:*** *With effect from 11 July 2021, the rules for the valuation of real estate were amended to add as a value to be taken into account the value "determined" by the Administration for the purposes of other taxes, which meant incorporating as a valuation criterion for real estate the reference value provided for in the consolidated text of the Real Estate Cadastre Law, approved by Royal Legislative Decree 1/2004, of 5 March.*
>
> *This reference value is determined by the General Directorate of Cadastre, objectively and with the limit of the market value, based on the data in the Cadastre, as a result of the analysis of the prices reported by public notaries in real estate sales carried out.*
>
> *However, the reference value will only affect properties acquired after January 1, 2022, when said value has been taken as a tax base in the tax that taxes its acquisition (that is, in the Tax on Property Transfers and Documented Legal Acts or in the Tax on Inheritances and Donations).*
>
> *These individual reference values will be available on the Cadastre's electronic headquarters. The aforementioned office will also offer the possibility of consulting and certifying the reference value of a property on a given date.*

c. **The price, consideration or acquisition value** .

Within the " **acquisition value"** referred to in article 10.One of the Law of Tax on the Assets , the **"expenses and taxes inherent to the transfer"** that have been paid by the purchaser must be included. These are expenses and taxes “linked by their nature or inseparable” from the transfer as such. An example of the first would be the notary and registration expenses and, of the second, the Tax on Inheritances and Donations, the Tax on the Added Value (VAT) or the Tax on Onerous Asset Transfers and Documented Legal Acts (ITPAJD), as the case may be.

On the contrary, to determine the value of real estate in the Wealth Tax, in accordance with the rule provided for in article 10. One of the Wealth Tax Law, said value cannot be reduced by the amount of amortizations made within the scope of IRPF .

Special valuation rules

a. **Properties that are leased as of December 31, 2024**

Leased urban properties will be valued in accordance with the general rule discussed above.

However, homes and business premises leased under contracts signed before May 9, 1985 **will be valued by capitalizing the income accrued in the year 2024 at 4%** , provided that the result is lower than that which would result from the application of the general rule for the valuation of real estate.

See in this regard the second and third transitional provisions of Law 29/1994, of November 24, on Urban Leases (BOE of November 25).

For these purposes, the following formula can be used to calculate the capitalization of income:

Computable value = Accrued income x (100 ÷ 4)

b. **Properties under construction**

Properties that are in the construction phase **will be valued by the amounts that have actually been invested** in said construction up to the date of the accrual of the Tax (December 31). The corresponding asset value of the land must also be taken into account.

In the case of horizontal property, the proportional part of the value of the land will be determined according to the percentage set out in the title.

c. **Properties acquired under a timeshare regime**

The right to timeshare use of real estate grants its owner the right to enjoy, exclusively, for a specific period of each year, consecutive or alternate, accommodation that can be used independently because it has its own exit to the public road or to a common element of the building in which it is integrated and that is permanently equipped with the appropriate furniture for this purpose, as well as the right to the provision of complementary services.

This right, which is currently regulated by Title II of Law 4/2012, of July 6, on contracts for the time-share use of tourist goods, the acquisition of long-term vacation products, resale and exchange and tax regulations (BOE of July 7), may be constituted as a limited real right or as an obligatory right (in this case, as a contract for the lease of seasonal vacation real estate) and is valued, whatever its nature (real or obligatory), by the purchase price of the certificates or other securities representing them.

> ***Note:*** *Please note that, regardless of whether the rights to timeshare use of real estate must be valued at their purchase price, when it is a real right it must be declared in section "M" (Real rights of use and enjoyment) of form D-714 of the Wealth Tax, and when it is obligatory in section "Q" (Other assets and rights of economic content) of the aforementioned form.*

d. **Right of bare ownership over real estate**

The value of the right of bare ownership, **will be computed by the difference between the total value of the property and the value of the usufruct that has been established on it** . In the event that the real right that falls on the property is a life usufruct that is also temporary, the bare ownership will be valued by applying, among the rules for valuing usufruct, the one that attributes the lowest value to the bare ownership.

> To determine the value of the usufruct established on the property, see the valuation rules contained in the section relating to " Real rights of use and enjoyment (excluding those which, where applicable, fall on the habitual residence of the taxpayer)" of this same Chapter.

2. Assets and rights affected by economic activities

Regulations: Art. 11 Wealth Tax Law

Assets and rights related to economic, business or professional activities may be exempt from tax if the owner of the same meets the requirements established for this purpose and which are discussed in the section corresponding to "Exemptions" within "business and professional assets" of this same Chapter.

However, whether or not they are exempt, they must be declared using the following valuation rules:

- **Valuation rules for economic activities with accounting adjusted to the Commercial Code**

  The assets and rights of natural persons related to the exercise of business or professional activities according to the rules of Personal Income Tax , except for real estate, will be computed at the value resulting from their accounting by **difference between the real assets and the payable liabilities** , provided that the accounting complies with the provisions of the Commercial Code.

- **Valuation rules for economic activities without accounting adjusted to the Commercial Code**

In this case, **the valuation of the affected assets and rights will be carried out, element by element** , applying the valuation rules of the Wealth Tax that correspond to the nature of each element.

- **Special case: valuation of properties affected by economic activities**

  Regardless of whether or not accounting is kept in accordance with the Commercial Code, the value of each of the real estate assets affected by the economic, business or professional activities carried out by its owner will be determined by applying the valuation rules indicated for real estate in section 1 above, unless they form part of the current assets of business activities whose purpose consists exclusively of real estate construction or development, in which case said assets will be valued using the rules discussed in this section.

  > ***Note:*** *In the case of marriage, whether the assets or rights related to economic, business or professional activities are the exclusive property of the spouse who carries out the activity or, in accordance with the provisions or agreements regulating the corresponding matrimonial economic regime, are common to both spouses, the valuation of the same will be carried out by applying the rules discussed in this section. In this last case, the value thus determined will be attributed equally in the Wealth Tax declaration of each of them, unless a different share of participation is justified.*
  >
  > *If the activity involves the use of assets or rights (premises, machinery, etc.) that belong exclusively to the spouse who does not carry out the activity, the latter will include them in full in his or her declaration, valuing them in accordance with the rules contained in the tax regulations for unaffected assets and rights that are included in the remaining sections of this section.*

3. Deposits in checking or savings accounts, demand or time deposits, financial accounts and other types of account deposits

Regulations: Art. 12 Wealth Tax Law

The valuation of each of the deposits as well as of the treasury management accounts and the financial or similar accounts will be carried out **by the balance they show on the date of accrual of the Tax** (December 31), unless this is lower than the average balance corresponding **to the last quarter of the year** , in which case the latter will be taken.

For the calculation of said average balance, the following will not be taken into account:

- Funds withdrawn for the acquisition of assets and rights that appear in the estate.
- Funds withdrawn for the cancellation or reduction of debts.
- Income received in the last quarter from loans or credits. In these cases, the corresponding debt will not be deductible either.

In the event that deposits and accounts are **in currencies other than the euro** the above valuation rule will be applied with the following particularities regarding the calculation of the average balance:

- The average balance will be calculated in the currency in question, and its equivalent in euros will then be determined based on the official euro exchange rate corresponding to the date of accrual of the tax (31 December), published by the European Central Bank or, failing that, the last official exchange rate published previously.

  If there is no official exchange rate, the market value of the monetary unit in question will be taken as a reference.

- Funds withdrawn for the acquisition of assets and rights that appear in the assets will not be included in the calculation of the average balance, considering in this case those withdrawn to acquire foreign currency deposited in other accounts owned by the obligor.

> ***Note:*** *In the event that there are several holders of the corresponding accounts, their values will be allocated equally to each of them, unless a different share of participation between them is justified.*

4. Values representing the transfer of own capital to third parties

Regulations: Articles 13 and 14 Wealth Tax Law

These include, among others, securities such as Public Debt, both of the State and of the Autonomous Communities, Treasury Bills, bonds, certificates and promissory notes, public and private, and loans and credits granted whose ownership corresponds to the taxpayer. Depending on whether the corresponding securities are traded on organised markets or not, the following valuation criteria apply:

- **Valuation rules for securities traded on organized markets:**

  They must be computed according to **the average trading value of the fourth quarter of each year** , regardless of their name, representation and the nature of the returns obtained.

  For these purposes, the list of securities traded on trading venues, with their average trading value corresponding to the fourth quarter of 2024, for the purposes of the Wealth Tax declaration for the year 2024 and the annual information declaration on securities, insurance and income is included in Order HAC /184/2025, of February 25 (BOE of February 28).

- **Valuation rules for securities not traded on organised markets:**

  The valuation of each of these securities will be carried out **at its nominal value, including, where applicable, amortization or reimbursement premiums** , regardless of their name, representation and the nature of the returns obtained.

5. Securities representing participation in the equity of any type of entity

Regulations: Articles 15 and 16 Wealth Tax Law

Shares and interests in the share capital or equity of legal entities, companies and investment funds are considered as such.

These securities, with the exception of shares and interests in Collective Investment Institutions, may be exempt from tax if the holder thereof meets the requirements established for this purpose and which are discussed in the section relating to exemptions in Chapter 2 of this manual. Whether or not they are exempt, these values must be included in the corresponding section of the declaration, being valued according to the following rules:

> ***Remember:*** *The concept of "organized markets" referred to in Article 15 of Law 19/1991 is broader than that of the official secondary market or regulated market and includes the so-called "multilateral trading systems" such as the Alternative Stock Market.*

A. Shares and interests in the share capital or in the equity fund of Collective Investment Institutions (Investment Companies and Funds), traded on organized markets

Shares and interests in the share capital or in the equity fund of Collective Investment Institutions traded on organized markets **must be computed at their net asset value on the date of accrual of tax** (December 31), valuing the assets included in the balance sheet in accordance with the rules included in their specific legislation and the obligations to third parties being deductible.

To facilitate the correct application of this valuation rule, entities are required to provide their partners, associates or participants with a certificate stating the valuation of their respective shares and interests.

B. Shares and interests in the share capital or equity of any other legal entities, traded on organized markets

Shares and interests in the share capital or equity of any legal entities, traded on organized markets **will be computed at their average trading value in the fourth quarter of each year** .

For these purposes, the list of securities traded on trading venues, with their average trading value corresponding to the fourth quarter of 2024, for the purposes of the Wealth Tax declaration for the year 2024 and the annual information declaration on securities, insurance and income is included in Order HAC /184/2025, of February 25 (BOE of February 28).

> ***Important:*** *when subscribing to new shares not yet admitted to official trading, issued by legal entities listed on organized markets, the value of these shares will be taken as the last trading value of the old securities within the subscription period.*

In the case of capital increases pending disbursement, the valuation of the shares will be made in accordance with the previous rules, as if they were fully paid up, including the portion pending disbursement as debt of the taxpayer.

C. Shares and interests in the share capital or in the equity fund of Collective Investment Institutions (Investment Companies and Funds), not traded on organized markets

The valuation of shares and interests in the share capital or in the equity fund of Collective Investment Institutions not traded on organized markets **will be carried out by their net asset value on the date of accrual of the tax** , valuing the assets included in the balance sheet in accordance with the rules included in their specific legislation and the obligations to third parties being deductible.

To facilitate the correct application of this valuation rule, entities are required to provide their partners, associates or participants with a certificate stating the valuation of their respective shares and interests.

D. Shares and interests in the share capital or equity of any other legal entities not traded on organized markets, including interests in the share capital of Cooperatives

- **Shares in the share capital of Cooperatives.**

  The valuation of the shares of the partners or associates in the share capital of the cooperatives will be determined based on the **total amount of the social contributions paid** , mandatory or voluntary, resulting from the last approved balance sheet, **with deduction, where appropriate, of the unreimbursed social losses.**

- **Share capital investments in other entities.**

  The valuation of the aforementioned shares and participations will be carried out according to **the theoretical value resulting from the last approved balance sheet** , provided that this, either compulsorily or voluntarily, has been subject to review and verification and **the audit report is favorable** .

  In the event that the balance sheet has not been duly audited or the audit report is not favorable, the valuation will be made at the highest of the following three values:

  a. Nominal value.

  b. Theoretical value resulting from the last approved balance sheet.

  The Supreme Court rulings of 12 February and 14 February 2013, in accordance with a criterion "favorable to the best approach to the economic reality of the taxable base of the tax" interpret that the balance sheet approved within the legal period for the presentation of the self-assessment for the tax

must be taken as a point of reference, so that "if the year being settled is approved on this date, even if this has occurred after the date of accrual, it must nevertheless be taken into account."

c. Value resulting from capitalizing at a rate of 20 percent the average of the entity's profits in the three fiscal years closed prior to the date of accrual of the tax (December 31). The profits will include distributed dividends and allocations to reserves, excluding those for regularization or updating of balance sheets.

To calculate this capitalization, the following formula can be used:

Value = [(B $_1$ + B $_{2\,\#\#}$ + B $_3$) ÷ 3] x (100 ÷ twenty)

Where: B $_1$, B $_2$ and B $_3$ are the profits for each of the three fiscal years closed prior to the tax accrual date.

For the correct application of these valuation rules, entities are required to provide their partners, associates or participants with certificates containing the valuations of their respective shares and interests.

The Supreme Court's ruling of July 27, issued in cassation appeal no. 1405/2024 (ROJ : STS 4221/2024), specifies in relation to the valuation of shareholdings that if the tax inspection for the purposes of IRPF , considers that the income derived from the economic activity of the company must be attributed, in reality, to the partner, since the company does not carry out such activity, the exemption of article 4.Eight is not applicable. Two of the Wealth Tax Law, this assumption must be made in full. That is to say, it must also be taken into account to determine the value of said shares, considering the real composition of the net assets resulting from the legal and economic reality on which the regularization was carried out in the IRPF , by virtue of the principle of full regularization.

6. Life insurances

Regulations: Art. 17.One Wealth Tax Law

We must distinguish:

- **As a general rule,** life insurance policies taken out by the taxpayer, even if the beneficiary is a third party, **will be computed at their surrender value at the time the tax becomes due** (December 31). This value must be provided by the insurance company.
- **Special assumption.**

  From July 11, 2021, in cases where the policyholder **does not have the right to exercise the right of total surrender** on the tax accrual date, the insurance will be computed at the **value of the mathematical provision on the aforementioned date** in the policyholder's tax base.

  Exception : The above shall not apply to temporary insurance contracts that only include benefits in the event of death or disability or other additional risk guarantees.

  Note: Until July 11, 2021, this type of life insurance, when the policy did not recognize any right of surrender, whether total or partial, was not subject to Wealth Tax, regardless of whether the policyholder was or was not, simultaneously, the beneficiary for the contingency of survival.

***Remember** : To determine the tax base for the Wealth Tax, as of July 11, 2021, life insurance contracts in which the policyholder does not have the power to exercise the right of total surrender are included in the tax base for the Wealth Tax for the value of the mathematical provision on the date of accrual of the Tax (December 31 of each year), with the exception of those temporary insurance contracts that only include benefits in the event of death or disability or other complementary risk guarantees.*

7. Temporary or life annuities

Regulations: Art. 17.Two Wealth Tax Law

We must distinguish:

- **As a general rule** , the valuation of temporary or life annuities established as a result of the delivery of capital, whether in money, movable or immovable property, the ownership of which corresponds to the declarant must be carried out **by the result of capitalizing the annuity at the legal interest rate of money in force on the date of accrual of this tax** (December 31) and taking from the resulting capital that part that, according to the rules established to value usufructs, corresponds to the age of the annuitant, if the annuity is for life, or to the duration of the annuity, if it is temporary.

  The rules for the valuation of usufructs can be consulted in the section " Real rights of use and enjoyment (excluding those that, where applicable, fall on the habitual residence of the taxpayer)", which is discussed in Chapter 3 of this Manual.

  For the 2024 financial year, the legal interest rate on money has been set at 3.25%.

  When the income amount is not quantified in monetary units, the valuation will be obtained by capitalizing the amount of 8,400 euros, the amount of the public indicator of income for multiple purposes (IPREM) for the year 2024.

  Please note that the amount of the Public Indicator of Multiple Effects Income (IPREM) for 2024 remains at €8,400, in accordance with the provisions of the Ninetieth Additional Provision of Law 31/2022, of December 23, on the General State Budget for 2023 (Official State Gazette of December 24), as it has been extended to 2024 in accordance with the provisions of Article 134.4 of the Spanish Constitution.

  Similarly, with the extension of the General State Budget to 2023, the legal interest rate for 2024 has been set at 3.25 percent.

- **As an exception** , when temporary or lifelong income is received from life insurance, these will be computed at the value established in the valuation rule provided for life insurance in the taxable base of the recipient. That is, they will be computed at their **redemption value** at the time of the tax accrual and, from July 11, 2021, in cases where the policyholder **does not have the power to exercise the right of total redemption** on the tax accrual date, by the **value of the mathematical provision on the aforementioned date.**

Example

Mr. MPS, 60 years old as of December 31, 2024, transferred the apartment in which he resided in exchange for a life annuity of 12,000 euros per year. The legal interest rate in 2024 was 3.25 percent. .

Determine the value for which said life annuity must be declared in the Wealth Tax.

Solution

Capitalization of the income received:

12,000 x (100 ÷ 3.25) = 369,230.77 euros

The percentage corresponding to the life usufruct is applied based on the age of the annuitant:

(89 – 60) = 29%

Value of the life annuity:

29% of 369,230.77 = 107,076.92 euros

8. Vehicles, jewelry, luxury furs, boats and aircraft

Regulations: Art. 18 Wealth Tax Law

This section includes jewellery, luxury furs, cars, two- or three-wheeled vehicles with a cylinder capacity equal to or greater than 125 cubic centimetres, recreational or water sports boats, aeroplanes, light aircraft, sailboats and other aircraft owned by the declarant.

The valuation of these assets **will be carried out according to their market value on the date of accrual of tax** (December 31).

To determine the market value, the valuation tables for used vehicles applicable to the management of the Tax on Property Transfers and Documented Legal Acts, the Tax on Inheritances and Donations, and the Special Tax on Certain Means of Transport, included for 2024 in Order HFP /1396/2023, of December 26 (BOE of December 29), may be used.

9. Art objects and antiques

Regulations: Art. 19 Wealth Tax Law

For the purposes of the Wealth Tax, the following definitions apply:

Art objects: paintings, sculptures, drawings, engravings, lithographs or other similar works, provided that in all cases they are original works.

Antiques: movable, useful or ornamental property, excluding works of art, that are more than one hundred years old and whose fundamental characteristics have not been altered by modifications or repairs carried out during the last one hundred years.

The valuation of these assets will be carried out according to their market value on the date of accrual of the tax (December 31).

> ***Note:*** *Works of art and antiques that are considered exempt from tax should not be included in the declaration. See in this regard the list of exempt works of art and antiques in the section dedicated to exemptions in Chapter 2.*

10. Real rights of use and enjoyment (excluding those that, if applicable, fall on the habitual residence of the taxable person)

Regulations: Art. 20 Wealth Tax Law

This section includes real rights of use and enjoyment, except those that fall on the taxpayer's habitual residence, as well as rights over real estate acquired by virtue of timeshare contracts, part-time ownership or similar formulas, when said contracts do not entail partial ownership of the property.

Your rating will be:

- **Temporary usufruct.**

  Its value will be estimated proportionally to the total value of the property, at a rate of 2% for each one-year period remaining in the usufruct, without exceeding 70%.

  Therefore, to determine the value of temporary usufructs, the percentage resulting from the following operation will be applied to the total value of the property:

  (2 x number of years remaining in force)%, with a maximum of 70%

- **Usufruct for life.**

  Its value will be estimated starting from 70% of the total value of the property, when the usufructuary is under 20 years of age, and reducing said percentage by 1% for each year that said age is exceeded, up to a minimum of 10% of the total value of the property.

  Consequently, the value of life usufructs will be the amount obtained by applying the percentage resulting from the following operation to the total value of the property:

  (89 – age of the usufructuary as of December 31)%, with a minimum of 10% and a maximum of 70%

- **Use rights and room.**

They will be computed at the value resulting from applying the rules corresponding to the valuation of temporary or life usufructs, as the case may be, to 75% of the value of the assets on which such rights were imposed.

- **Rights to timeshare use of real estate.**

  They will be valued at their acquisition price, regardless of their nature.

> **Example**
>
> Mr. MTS is the holder of a life usufruct right over a property whose value, for the purposes of the Wealth Tax, is 90,000 euros. The age of the usufructuary as of December 31, 2024 is 25 years.
>
> Determine the value of the life usufruct for the purposes of the Wealth Tax.
>
> **Solution**
>
> 1. Determination of the applicable percentage based on the age of the usufructuary: (89 – 25) = 64 percent
> 2. Value of life usufruct: 64% of 90,000 = 57,600 euros

11. Administrative concessions

Regulations: Art. 21 Wealth Tax Law

The valuation of administrative concessions for the exploitation of services or assets of public domain or ownership, whatever their duration, must be carried out by applying the criteria contained in article 13 of the consolidated text of the Law on the Tax on Property Transfers and Documented Legal Acts, approved by Royal Legislative Decree 1/1993, of September 24 (BOE of October 20).

General valuation rules:

Pursuant to the provisions of said article and as a general rule, the value of the right arising from the concession shall be determined by the application of the rule or rules that, taking into account the nature of the obligations imposed on the concessionaire, are applicable from those indicated below:

a. When the Administration sets a total amount as a price or fee, which must be paid by the concessionaire, for the amount thereof.

b. When the Administration establishes a fee, price, participation or minimum profit that the concessionaire must pay periodically, two situations must be distinguished:

   - If the duration of the concession is not greater than one year, for the total sum of the periodic benefits.
   - If the duration of the concession is longer than one year, the annual amount paid by the concessionaire will be capitalized at 10%.

When applying this rule, when it is necessary to capitalize an annual amount that is variable exclusively as a result of the application of price review clauses, which take objective indices of their evolution as a reference, the amount corresponding to the first year will be capitalized. If the variation depends on other circumstances, the mathematical reason for which is known at the time of granting the concession, the amount to be capitalized will be the annual average of those that the concessionaire must pay during the life of the concession.

c. When the concessionaire is obliged to revert certain assets to the Administration, the estimated net book value of said assets at the date of the reversion will be computed, plus the expenses anticipated for the reversion. To calculate the net book value of the assets, the depreciation tables approved for the purposes of Corporate Tax will be applied at the average percentage resulting from them.

Special valuation rules:

In special cases where, due to the nature of the concession, the value cannot be set by the rules set out above, it will be determined in accordance with the following rules:

a. Applying to the value of the fixed assets affected by the exploitation, use or benefit in question, a percentage of 2% for each year of duration of the concession, with a minimum of 10% and without the maximum being able to exceed the value of the assets.

b. In the absence of the previous assessment, the one indicated by the respective Public Administration will be taken.

c. In the absence of the two previous rules, by the value declared by the interested parties, without prejudice to the right of the Administration to proceed to its verification by the means provided for in the General Tax Law.

12. Intellectual and industrial property rights

Regulations: Art. 22 Wealth Tax Law

Rights derived from Intellectual and Industrial Property acquired from third parties that are not involved in the development of economic, business or professional activities must be computed at their acquisition value.

If the rights derived from Intellectual and Industrial Property acquired from third parties are related to the development of business or professional activities, they must be declared in the section corresponding to assets and rights related to economic activities .

Remember: *in accordance with Article 4. Six of the Wealth Tax Law exempts rights derived from intellectual or industrial property as long as they remain in the author's assets and, in the case of industrial property, are not affected by business activities.*

13. Contract options

Regulations: Art. 23 Wealth Tax Law

This section will include contractual options whose ownership corresponds to the declarant, derived from contracts that authorize a person to, at his discretion and within a maximum agreed time, decide on the perfection of a main contract (generally a sale contract) with another person who, for the time being, is bound to bear the results of said free decision of the holder of the option right.

Contractual options are valued at the agreed special price and, in the absence of this, or if it is lower, at 5% of the base on which the contracts on which said options apply would be settled for the purposes of the Tax on Property Transfers and Documented Legal Acts.

14. Virtual currencies

Regulations: Articles 24 Wealth Tax Law, 39 bis RGAT and first transitional provision Royal Decree 249/2023, of April 4

Article 1.5 of Law 10/2010, of April 28, on the prevention of money laundering and the financing of terrorism, which was introduced on the occasion of the transposition of the Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 defines to **"virtual currency"** (also called "cryptocurrency") as *"that digital representation of value not issued or guaranteed by a central bank or public authority, not necessarily associated with a legally established currency and which has no status legal currency or money, but which is accepted as a medium of exchange and can be transferred, stored or negotiated electronically* ."

> Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 amended Directive (EU) 2015/ 849, to add the legal definition of “virtual currency”, incorporated by the aforementioned Law 10/2010. However, it should be noted that Directive (EU) 2015/849 has recently been amended by Regulation (EU) 2023/1113 of 31 May to remove the definition of virtual currencies and incorporate the much broader term “cryptoassets” which covers different types of virtual assets, among which “cryptocurrencies” would be found, and will apply from 30 December 2024. For its part, the concept of cryptoasset is defined in Regulation (EU) 2023/1114 (MiCA).

Taking this definition into account, virtual currencies are considered, for tax purposes, as intangible assets, computable in units or fractions of units, which are not legal tender, but which are used as a means of payment as they can be exchanged for other assets, including other virtual currencies, rights or services if they are accepted by the person or entity that transfers the asset or right or provides the service. Since virtual currencies have economic content, like the rest of the assets owned by the taxpayer of the Wealth Tax, they must be declared.

In the Wealth Tax, the taxpayer must declare the **balance in euros of each virtual currency that he/she owns on the date of the tax accrual** (December 31).

To carry out the valuation in euros, article 39 bis of the RGAT , establishes the following rules:

- The quote will be taken at 23:59 on December 31st as offered by the main trading platforms or price monitoring websites or,

- In the absence of the above, a reasonable estimate of the market value in euros of the virtual currency as of December 31 will be provided.

  Please note that this estimated value must be provided by persons and entities resident in Spain and permanent establishments in Spanish territory of persons or entities resident abroad, where your virtual currencies are deposited, in accordance with the data recorded in form 172 (informative declaration on balances in virtual currencies) that said depositors are required to submit.

Obligation to report virtual currency balances and criteria for assessing such balances

In order to improve tax control of taxable events that may arise from the holding of virtual currencies and the operations that may be carried out with them, Law 11/2021, of July 9, on measures to prevent and combat tax fraud, modified the Income Law to incorporate certain reporting obligations in this regard. Specifically, and with regard to IP, those who provide services on behalf of other persons or entities to safeguard private cryptographic keys that enable the holding and use of such currencies will be required to report virtual currency balances.

See in this regard Order HFP/887/2023, of July 26, approving form 172 "Informative declaration on balances in virtual currencies" and form 173 "Informative declaration on operations with virtual currencies", and establishing the conditions and procedure for their presentation (BOE of July 29).

The regulatory development of this obligation has been carried out in article 39 bis of the RGAT, of July 27, giving rise to the approval of model 172.

Please note that the first declarations regarding virtual currency reporting obligations should have been filed starting in January 2024 for information corresponding to the immediately preceding year and for transactions corresponding to the immediately preceding year carried out since April 25, 2024. For more information, please consult the following frequently asked questions document regarding the aforementioned model.

15. Other goods and rights of economic content

Regulations: Art. 24 Wealth Tax Law

Assets and rights with economic content not included in the previous sections will be valued at the market price on the date of accrual of the Tax, December 31.

Deductible debts

Regulations: Art. 25 Wealth Tax Law

Deductible debts

The following are considered deductible debts in the Wealth Tax: charges and liens of a real nature that reduce the value of the respective assets or rights, as well as personal debts and obligations for which the taxpayer must respond.

Debts will only be deductible when they are duly justified, and in no case will the interest be deductible.

Debts will be valued at their nominal value on the date of tax accrual (December 31).

> Only debts existing and payable on the date of accrual of the Wealth Tax are deductible, but not those arising subsequently. In relation to debts arising from settlements existing on the date of accrual of the Wealth Tax, because they are prior to or contemporaneous with the year in which the tax is accrued, they may be deducted if they are payable, either because the settlement is not suspended or because it is final. Interpretive criteria established in the Supreme Court Ruling No. 246/2023, of February 27, of the Second Section of the Administrative Litigation Chamber (ROJ : STS 612/2023).

Non-deductible debts

The following will not be subject to deduction:

a. The amounts guaranteed, until the guarantor is obliged to pay the debt, because the right has been exercised against the principal debtor and the latter has become bankrupt. In the case of joint liability, the amounts guaranteed may not be deducted until the right against the guarantor is exercised.

b. The mortgage that guarantees the deferred price in the acquisition of an asset, without prejudice to whether the deferred price or guaranteed debt is.

c. The charges and liens that correspond to assets exempt from this tax, nor the debts incurred for the acquisition of the same.

> When the exemption is partial, as occurs in cases where the value of the habitual residence is greater than 300,000 euros, the proportional part of the debts corresponding to the non-exempt part of the asset or right in question will be deductible, where applicable.

Special case: debts related to affected assets and rights

The inclusion of these debts together with the remaining deductible debts will only proceed when the following circumstances occur:

- When assets related to business and professional activities are not exempt from the Wealth Tax.
- When the taxpayer does not keep accounting records in accordance with the Commercial Code.

Note: *In cases of real obligation to contribute, only the charges and liens that affect the assets and rights located in Spanish territory or that can be exercised or must be fulfilled in the same, as well as the debts for capital invested in the indicated assets, will be deductible.*

The debt secured by a mortgage on the property whose ownership determines the subjection by real obligation to the Wealth Tax, when it has not been used to acquire the property, or to invest in it, cannot be deducted from its value for the purposes of

determining the taxable base of the Wealth Tax by real obligation, in accordance with the interpretative criteria established in the Supreme Court Judgment No. 167/2023, of February 13, of the Second Section of the Contentious-Administrative Chamber (ROJ : STS 418/2023).

Net worth (tax base)

Regulations: Art. 9 Wealth Tax Law

This amount is constituted by the algebraic difference between the amount of gross assets and the total amount of deductible debts. Therefore:

(+) GROSS WORTH: PROPERTY AND ERDS

Real estate

Assets and rights affected by economic activities

Deposits in current or savings accounts, demand or term, financial accounts and other types of deposits in accounts

Values representing the transfer of own capital to third parties

Securities representing participation in the equity of any type of entity

Life insurances

Temporary or life annuities

Vehicles, jewelry, luxury furs, boats and aircraft

Art objects and antiques

Real rights of use and enjoyment (excluding those that, if applicable, fall on the habitual residence of the taxable person)

Administrative concessions

Intellectual and industrial property rights

Contract options

Virtual currencies

Other goods and rights of economic content

(-) DEDUCTIBLE DEBTS

= NET WORTH

Chapter 4. Determination of the liquidable base and the full fee

Determination of the liquidable base: reduction by exempt minimum

Regulations: Art. 28 Wealth Tax Law

Taxable base (net worth subject to tax)

The taxable base is the difference between the amount of the taxable base (net worth) and the amount that must be applied as the minimum exemption.

Reduction for exempt minimum

The following situations must be distinguished:

For taxpayers due to personal obligation residing in any Autonomous Community

Law 22/2009, of December 18, regulating the financing system of the Autonomous Communities of the common regime and Cities with Statute of Autonomy and modifying certain tax regulations (BOE of December 19), establishes in its article 47 that the Autonomous Communities may assume in the Wealth Tax, among other regulatory powers, those related to the determination of the exempt minimum.

Consequently, the tax base will be reduced, **exclusively in the event of a personal obligation to contribute** , by the amount that has been approved by the Autonomous Community as the exempt minimum.

If the Autonomous Community had not regulated the exempt minimum, the taxable base will be reduced by 700,000 euros , the amount established for these purposes in article 28 of Law 19/1991, of June 6, on the Wealth Tax.

According to the above, the minimum exempt amount applicable in 2024 for Wealth Tax payers with personal obligations is, as a general rule, €700,000, except in the following Autonomous Communities:

- **Andalusia:**

For taxpayers with disabilities the minimum exempt amount will be:

a. **1,250,000 euros,** if the degree of disability is equal to or greater than 33% and less than 65%.

b. **1,500,000 euros** , if the degree of disability is equal to or greater than 65%.

> See article 24 of Law 5/2021, of October 20, on Transferred Taxes of the Autonomous Community of Andalusia.

- **Aragon:** the amount of the exempt minimum is set at **700,000 euros** .

> See article 150-2 of the consolidated text of the provisions issued by the Autonomous Community of Aragon on transferred taxes approved by Legislative Decree 1/2005, of September 26, of the Government of Aragon.

- **Autonomous Community of the Balearic Islands:** The amount of the exempt minimum is set at **3,000,000 euros** .

> See Final Provision 2.13 of Law 12/2023, of December 29, on the General Budget of the Autonomous Community of the Balearic Islands for the year 2024.

- **Canary Islands:** the amount of the exempt minimum is set at **700,000 euros** .

> See article 29 of the consolidated text of the legal provisions in force issued by the Autonomous Community of the Canary Islands on transferred taxes approved by Legislative Decree 1/2009, of April 21.

- **Catalonia** : the amount of the exempt minimum is set at **500,000 euros** .

> See Article 621-1 of Legislative Decree 1/2024, of March 12, approving Book Six of the Catalan tax code, which includes the Consolidated Text of the legal provisions in force in Catalonia regarding transferred taxes.

- **Estremadura:**

> See article 14 of the consolidated text of the legal provisions of the Autonomous Community of Extremadura on taxes transferred by the State, approved by Legislative Decree 1/2018, of April 10.

As a general rule, the amount of the exempt minimum is set at **500,000 euros** .

However, for **taxpayers with disabilities** , that minimum will be as follows:

a. **600,000** euros, if the degree of disability were **equal to or greater than 33 and less than 50 percent**

b. **700,000** euros, if the degree of disability were **equal to or greater than 50 and less than 65 percent**

c. **800,000** euros, if the degree of disability is **equal to or greater than 65 percent** .

To apply the applicable exempt minimum, the taxpayer must have a recognized permanent disability, be legally incapacitated, have a representative guardianship established for the taxpayer, or have one of the degrees of disability indicated.

For these purposes, the degree of disability or incapacity will be recognized or declared by the competent administrative or judicial body, in accordance with the applicable regulations.

> ***Note:****Please note that, following the entry into force of Law 8/2021 amending the Civil Code, references made to judicial incapacity are extended to court decisions establishing representative guardianship of persons with disabilities.*

- **Autonomous Community of the Region of Murcia**

In relation to the accruals of IP occurring on December 31, 2024, the exempt minimum is set at 3,700,000 euros.

> See the Eighth Additional Provision of the Revised Text of the Legal Provisions in force in the Region of Murcia regarding Transferred Taxes, approved by Legislative Decree 1/2010, of November 5.

- **Community of Valencia**

> See article 8 of Law 13/1997, of December 23, regulating the autonomous section of the Personal Income Tax and other transferred taxes.

As a general rule, the amount of the exempt minimum is set at **500,000 euros** .

However, for **taxpayers with a mental disability** , with a degree of disability **equal to or greater than 33 percent** , and for **taxpayers with a physical or sensory disability** , with a degree of disability **equal to or greater than 65 percent** , the amount of the exempt minimum is raised to **1,000,000** euros.

For non-resident taxpayers who pay taxes due to a personal obligation to contribute and for taxpayers subject to a real obligation to contribute

The exempt minimum amounting to **700,000 euros** will be applicable in the case of non-resident taxpayers who pay taxes due to a personal obligation to contribute and taxpayers subject to a real obligation to contribute.

> ***Remember:*** *Non-resident taxpayers have the right to apply the regulations approved by the Autonomous Community where the highest value of the assets and rights they own and for which they are required to pay Wealth Tax are located, because they are located, can be exercised or must be fulfilled in Spanish territory.*

Determination of the full fee

Regulations: Art. 30 Wealth Tax Law

General rule (Scale of taxation)

The positive taxable base will be taxed by applying to its amount the tax scale approved by the Autonomous Community of residence of the taxpayer or, if it has not been approved by the Autonomous Community, the scale established in general terms in the Wealth Tax Law.

State scale

Regulations: Art. 30 Wealth Tax Law

For the 2024 financial year, the following tax scale applies:

State scale of the wealth tax

Taxable base up to euros	Full amount euros	Remaining taxable base up to euros	Applicable Type Percentage
0.00	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

Taxable base up to euros	Full amount euros	Remaining taxable base up to euros	Applicable Type Percentage
10,695,996.06	183,670.29	From there on	3.5

Autonomous scales

Autonomous Community of Andalusia

Regulations: fifth transitional provision of Law 5/2021, of October 20, on Taxes transferred from the Autonomous Community of Andalusia and article 30 of Law 19/1991

Scale applicable in the 2024 fiscal year for taxpayers resident in this Autonomous Community in that fiscal year

Taxable base up to euros	Full amount euros	Remaining taxable base up to euros	Applicable Type Percentage
0.00	0.00	167,129.45	0.20
167,129.45	334.26	167,123.43	0.30
334,252.88	835.63	334,246.87	0.50
668,499.75	2,506.86	668,499.76	0.90
1,336,999.51	8,523.36	1,336,999.50	1.30
2,673,999.01	25,904.35	2,673,999.02	1.70
5,347,998.03	71,362.33	5,347,998.03	2.10
10,695,996.06	183,670.29	From there on	3.50

Note: The rate contained in Article 30 of the Wealth Tax Law is applicable, in accordance with the provisions of the fifth transitional provision, as long as the temporary solidarity tax on large fortunes remains in force.

Please note that Royal Decree-Law 8/2023, of December 27, extended the validity of the ITSGF until the revision of property taxation takes place within the framework of the reform of the regional financing system.

Autonomous Community of the Principality of Asturias

Regulations: Art.15 Revised Text of the legal provisions of the Principality of Asturias on taxes ceded by the State, approved by Legislative Decree 2/2014, of October 22

Scale applicable in the 2024 fiscal year for taxpayers resident in this Autonomous Community in that fiscal year

Taxable base up to euros	Full amount euros	Remaining taxable base up to euros	Applicable Type Percentage
0.00	0.00	167,129.45	0.22
167,129.45	367.68	167,123.43	0.33
334,252.88	919.19	334,246.87	0.56
668,499.75	2,790.97	668,499.76	1.02
1,336,999.51	9,609.67	1,336,999.50	1.48
2,673,999.01	29,397.26	2,673,999.02	1.97
5,347,998.03	82,075.05	5,347,998.03	2.48
10,695,996.06	214,705.40	From there on	3.00

Autonomous Community of the Balearic Islands

Regulations: Art. 9 Revised Text of the Legal Provisions of the Autonomous Community of the Balearic Islands on Taxes Transferred by the State, approved by Legislative Decree 1/2014, of June 6

Scale applicable in the 2024 fiscal year for taxpayers resident in this Autonomous Community in that fiscal year

Taxable base up to euros	Full amount euros	Remaining taxable base up to euros	Applicable Type Percentage
0.00	0.00	170,472.04	0.28
170,472.04	477.32	170,465.00	0.41
340,937.04	1,176.23	340,932.71	0.69
681,869.75	3,528.67	654,869.76	1.24
1,336,739.51	11,649.06	1,390,739.49	1.79
2,727,479.00	36,543.30	2,727,479.00	2.35
5,454,958.00	100,639.06	5,454,957.99	2.90

Taxable base up to euros	Full amount euros	Remaining taxable base up to euros	Applicable Type Percentage
10,909,915.99	258,832.84	From there on	3.45

Autonomous Community of Cantabria

Regulations: Art. 4 Revised Text of the Law on Fiscal Measures in the Matter of Taxes Transferred by the State, approved by Legislative Decree 62/2008, of June 19

Scale applicable in the 2024 fiscal year for taxpayers resident in this Autonomous Community in that fiscal year

Taxable base up to euros	Full amount euros	Remaining taxable base up to euros	Applicable Type Percentage
0.00	0.00	167,129.45	0.24
167,129.45	401.11	167,123.43	0.36
334,252.88	1,002.75	334,246.87	0.61
668,499.75	3,041.66	668,499.76	1.09
1,336,999.51	10,328.31	1,336,999.50	1.57
2,673,999.01	31,319.20	2,673,999.02	2.06
5,347,998.03	86,403.58	5,347,998.03	2.54
10,695,996.06	222,242.73	From there on	3.03

Autonomous Community of Catalonia

Regulations: first transitional provision Legislative Decree 1/2024, of March 12, approving the sixth book of the tax code of Catalonia, which integrates the Consolidated Text of the legal precepts in force in Catalonia regarding transferred taxes or (DOGCV 03-14-2024 and BOE 04-09-2024)

Scale applicable in the 2024 fiscal year for taxpayers resident in this Autonomous Community in that fiscal year

Taxable base up to euros	Full amount euros	Remaining taxable base up to euros	Applicable Type Percentage
0.00	0.00	167,129.45	0.210

Taxable base up to euros	Full amount euros	Remaining taxable base up to euros	Applicable Type Percentage
167,129.45	350.97	167,123.43	0.315
334,252.88	877.41	334,246.87	0.525
668,499.75	2,632.21	668,500.00	0.945
1,336,999.75	8,949.54	1,336,999.26	1,365
2,673,999.01	27,199.58	2,673,999.02	1,785
5,347,998.03	74,930.46	5,347,998.03	2,205
10,695,996.06	192,853.82	9,304,003.94	2,750
20,000,000.00	448,713.93	upwards	3,480

Note: This rate is applicable, in accordance with the provisions of the first transitional provision, as long as the temporary solidarity tax on large fortunes remains in force.

Please note that Royal Decree-Law 8/2023, of December 27, extended the validity of the ITSGF until the revision of property taxation takes place within the framework of the reform of the regional financing system.

Autonomous Community of Extremadura

Regulations: Art. 15 Revised Text of the legal provisions of the Autonomous Community of Extremadura on taxes transferred by the State, approved by Legislative Decree 1/2018, of April 10

Scale applicable in the 2024 fiscal year for taxpayers resident in this Autonomous Community in that fiscal year

Taxable base up to euros	Full amount euros	Remaining taxable base up to euros	Applicable Type Percentage
0.00	0.00	167,129.45	0.30
167,129.45	501.39	167,123.43	0.45
334,252.88	1,253.44	334,246.87	0.75
668,499.75	3,760.30	668,499.76	1.35
1,336,999.51	12,785.04	1,336,999.50	1.95

Taxable base up to euros	Full amount euros	Remaining taxable base up to euros	Applicable Type Percentage
2,673,999.01	38,856.53	2,673,999.02	2.55
5,347,998.03	107,043.51	5,347,998.03	3.15
10,695,996.06	275,505.45	From there on	3.75

Autonomous Community of Galicia

Regulations: Third transitional provision Consolidated text of the legal provisions of the Autonomous Community of Galicia on taxes transferred by the State, approved by Legislative Decree 1/2011, of July 28

Scale applicable in the 2024 fiscal year for taxpayers resident in this Autonomous Community in that fiscal year

Taxable base up to euros	Full amount euros	Remaining taxable base up to euros	Applicable Type Percentage
0.00	0.00	167,129.45	0.20
167,129.45	334.26	167,123.43	0.30
334,252.88	835.63	334,246.87	0.50
668,499.75	2,506.86	668,499.76	0.90
1,336,999.51	8,523.36	1,336,999.50	1.30
2,673,999.01	25,904.35	2,673,999.02	1.70
5,347,998.03	71,362.33	5,347,998.03	2.10
10,695,996.06	183,670.29	From there on	3.50

Note: Please note that Article 5 of Law 10/2023, of December 28, on fiscal and administrative measures of the Autonomous Community of Galicia (DOG 12-29-2023), has suspended the validity of Article 13 bis with effect from January 1, 2023 and while the Temporary Solidarity Tax on Large Fortunes is applicable, the third transitional provision being applicable instead. Since Royal Decree-Law 8/2023, of December 27, extended the application of the ITSGF (Tax Income Tax), approved by Law 38/2022, of December 27, until the revision of property taxation takes place in the context of the reform of the regional financing system, this scale is fully applicable in 2024.

Autonomous Community of the Murcia Region

Regulations: Art. 13 Revised Text of the Legal Provisions in force in the Region of Murcia regarding Transferred Taxes, approved by Legislative Decree 1/2010, of November 5

Scale applicable in the 2024 fiscal year for taxpayers resident in this Autonomous Community in that fiscal year

Taxable base up to euros	Full amount euros	Remaining taxable base up to euros	Applicable Type Percentage
0.00	0.00	167,129.45	0.24
167,129.45	401.11	167,123.43	0.36
334,252.88	1,002.75	334,246.87	0.60
668,499.75	3.008,23	668,499.76	1.08
1,336,999.51	10,228.03	1,336,999.50	1.56
2,673,999.01	31,085.22	2,673,999.02	2.04
5,347,998.03	85,634.80	5,347,998.03	2.52
10,695,996.06	220,404.35	From there on	3.00

Community of Valencia

Regulations: Art. 9 Law 13/1997, of December 23, regulating the autonomous section of the Personal Income Tax and other transferred taxes

Scale applicable in the 2024 fiscal year for taxpayers resident in this Autonomous Community in that fiscal year

Taxable base up to euros	Full amount euros	Remaining taxable base up to euros	Applicable Type Percentage
0.00	0.00	167,129.45	0.25
167,129.45	417.82	167,123.43	0.37
334,252.88	1,036.18	334,246.87	0.62
668,499.75	3.108,51	668,499.76	1.12
1,336,999.51	10,595.71	1,336,999.50	1.62

Taxable base up to euros	Full amount euros	Remaining taxable base up to euros	Applicable Type Percentage
2,673,999.01	32,255.10	2,673,999.02	2.12
5,347,998.03	88,943.88	5,347,998.03	2.62
10,695,996.06	229,061.43	From there on	3.5

Special rule: progressively exempt goods and rights

Regulations: Art. 32 Wealth Tax Law

Taxpayers subject to the tax by personal obligation to contribute who are owners of assets or rights located or that can be exercised or must be fulfilled in a State with which Spain has signed a bilateral agreement to avoid double taxation, by virtue of which said assets are exempt from Spanish tax, but may be taken into account to calculate the tax corresponding to the remaining assets, must determine the full amount according to the following procedure:

- **The value of the exempt assets and rights,** determined in accordance with the rules for the valuation of the Wealth Tax reduced, where applicable, by the value of the charges, liens and debts corresponding to them which, if there were no such exemption, would be considered tax deductible, must be added to the amount of the taxable base, in order to determine the basis for the application of the tax scale.
- **Once the resulting quota is obtained, the average tax rate is determined** . This average tax rate is the result of multiplying by 100 the quotient resulting from dividing the rate by the base for applying the tax scale.
- **Once this average rate has been obtained, it will be applied exclusively to the taxable base** , without including exempt assets and rights, except to determine the tax rate, also known as exempt elements with progressivity.

Example: Calculation of the amount of the full fee

Mr. LGC Residents of the Autonomous Community of Galicia present the following data in their Wealth Tax return for the 2024 financial year:

- Taxable base: 356,900 euros.
- Exempt assets and rights, except for determining the applicable tax rate: 68,000 euros.

Determine the amount of the full fee.

Solution

1. **Determining the basis for applying the tax scale:**

This amount is the result of adding the taxable base and the net value of the exempt assets and rights, except to determine the tax rate applicable to the rest of the assets. That is, 356,900 + 68,000 = 424,900 euros.

2. **Application of the tax scale to the base for the application of the tax scale:**

   - Until: 334,252.88: 835.63
   - Other: 90,647.12 at 0.50%: 453.23
   - Resulting rate (835.63 + 453.23) = 1,288.86

3. **Determination of the average tax rate:**

   TMG : (1,288.86÷ 424,900) x 100 = 0.30%

4. **Obtaining the full quota**

   Full share: 356,900 x 0.30% = 1,070.70 euros.

Chapter 5. Determining the amount to be paid

Full quota limit and minimum Wealth Tax quota

Regulations: Art. 31 Wealth Tax Law

Approach

Exclusively for taxpayers subject to the tax by personal obligation , the sum of the full amount of the Wealth Tax together with the amounts of IRPF (full general amount and full savings amount) **may not exceed 60% of the sum of the taxable bases, general and savings, of IRPF** .

The total amount of the IRPF installments is the sum of the amounts shown in boxes ***[0545]*** and ***[0546]*** of the IRPF declaration for the year 2024.

The amount of the taxable bases, general and savings, of IRPF is the sum of the amounts reflected in boxes ***[0435]*** and ***[0460]*** of the IRPF declaration corresponding to the fiscal year >2024>.

Rules

1. For the purposes of determining the amount of the taxable base for savings of IRPF , the following rules must be applied:

a. ## The portion of the aforementioned taxable savings base that corresponds to the positive balance of capital gains and losses obtained from transfers of assets acquired or improvements made to them more than one year prior to the date of the transfer will not be taken into account, the amount of which will be entered in box ***[32]*** of the Wealth Tax return.

To determine this amount, the net balance of capital gains and losses obtained in the year arising from the transfer of assets acquired more than one year prior to the date of the transfer must first be calculated.

If the previous balance was negative or zero, zero will be entered in box ***[32].***

If the balance is positive, the positive net balance of capital gains and losses attributable to 2024 to be included in the savings tax base (box ***[0424]*** of the IRPF declaration) must be taken into consideration, and, where applicable, the offsetting of the following balances.

- Negative net balance of capital gains attributable to 2024 to be included in the savings tax base (limited by 25% of the positive net balance of capital gains and losses attributable to 2024). Box ***[0436]***
- Negative net balances of capital gains and losses for 2020, pending offset as of January 1, 2024, to be included in the savings tax base. Box ***[0439]***
- Negative net balances of capital gains and losses for 2021, pending offset as of January 1, 2024, to be included in the savings tax base. Box ***[0440]***
- Negative net balances of capital gains and losses for 2022, pending offset as of January 1, 2024, to be included in the savings tax base. Box ***[0441]***
- Negative net balances of capital gains and losses for 2023, pending offset as of January 1, 2024, to be included in the savings tax base. Box ***[0442]***
- Remaining negative net balances of capital gains from 2020, pending offset as of January 1, 2024, to be included in the savings tax base, with a limit of 25 percent of the positive net balance of capital gains and losses attributable to 2024. Box ***[0443]***
- Remaining negative net balances of capital gains from 2021, pending offset as of January 1, 2024, to be included in the savings tax base, limited to 25% of the positive net balance of capital gains and losses attributable to 2024. Box ***[0444]***
- Remaining negative net balances of capital gains from 2022, pending offset as of January 1, 2024, to be included in the savings tax base, with a limit of 25 percent of the positive net balance of capital gains and losses attributable to 2024. Box ***[0445]***
- Remaining negative net balances of capital gains from 2023, pending offset as of January 1, 2024, to be included in the savings tax base, with a limit of 25 percent of the positive net balance of capital gains and losses attributable to 2024. Box ***[0447]***

If the difference between the amount in box ***[0424]*** and the amounts of the sum of boxes ***[0436]*** and ***[0439]*** to ***[0445]*** and ***[0447]*** is equal to zero, then box ***[32]*** of the Wealth Tax return shall be entered as zero.

If the difference between the amount in box ***[0424]*** and the amounts of the sum of boxes ***[0436]*** and ***[0439]*** to ***[0445]*** and ***[0447]*** is positive, and the balance of capital gains and losses arising from the transfer of assets acquired more than one year prior to the date of the transfer (GyP>1) is equal to or greater than the amount entered in box ***[0424]*** of the IRPF declaration , in box ***[32]*** of the Wealth Tax declaration the difference between the amounts entered in boxes ***[0424]*** and the sum of boxes ***[0436]*** and ***[0439]*** *21##* ***[0445]*** and ## ##22##***[0447]*** of the declaration will be recorded from IRPF .

If the difference between the amounts in box ***[0424]*** and the amounts of the sum of boxes ***[0436]*** and ***[0439]*** to ***[0445]*** and ***[0447]*** is positive, and the balance of capital gains and losses arising from the transfer of assets acquired more than one year prior to the date of the transfer (GyP>1) is less than the amount entered in box ***[0424]*** of the IRPF declaration , in box ***[32]*** of the Wealth Tax declaration, the amount resulting from the following operation will be recorded.

(Profit and Loss >1 ÷ Box *[0424]*) x (Boxes *[0424]* - *[0436]* - *[0439]* - *[0440]* - *[0441]* - *[0442]* - *[0443]* - *[0444]* - *[0445]* - *[0447]*)

b. **The amount of dividends and profit shares obtained by holding companies** will be added, regardless of the entity that distributes the profits obtained by the aforementioned holding companies.

In accordance with the provisions of letter a) of section 1 of the tenth transitional provision of Law 27/2014, of November 27, on Corporate Tax (BOE of November 28), dividends and profit shares received by taxpayers of IRPF and obtained by holding companies are not included in the taxable base of IRPF nor are they subject to withholding or payment on account of said tax.

2. For the purposes of determining the full savings quota of IRPF the part of said quota corresponding to the positive balance of those obtained from the transfers of assets acquired or improvements made to them more than one year prior to the date of the transfer will not be taken into account, the amount of which will be entered in box ***[35]*** of the Wealth Tax return and which is the result of the following operation:

Box *[35]* = (Quotas corresponding to the taxable base of savings Boxes *[0540]* + *[0541]* ÷ taxable base of savings Box *[0460]*) x Box *[32]*

3. For the purposes of determining the full amount of the Wealth Tax , the part of the full amount corresponding to assets that, due to their nature or purpose, **are not likely to generate taxable income in the Personal Income Tax** will not be taken into account.

For the purposes of determining the assets that are excluded from the calculation of the limit of the full quota referred to in article 31.One.b) of the Wealth Tax Law, their “nature or purpose” at the time of the accrual of the Wealth Tax must be taken into account.

In this sense, clearly unproductive assets such as works of art and antiques, jewellery, boats and cars for private use, undeveloped land, etc. are excluded.

However, apart from the clearly unproductive assets that we have referred to in the previous section, it should be noted that the purpose assigned by the owner to an asset may be decisive in its capacity to generate income. For these purposes, following the Supreme Court ruling of March 16, 2011, appeal no. 212/2007 (ROJ : STS1346/2011) which, in its FJ5, established that *“from the literal meaning of this article it follows that the inclusion or exclusion derives from the nature or destination of the assets, at the time to which the liquidation refers, regardless of whether at a later time they may be subjected to operations that accrue returns* ”, it is considered that, if the taxpayer's assets, at the time the Wealth Tax accrual occurs, are not likely to produce returns taxed by the Personal Income Tax Law , they will not be taken into account within the calculation of the limit of article 31 of the Wealth Tax Law, regardless of whether at a later time they may be subjected to or destined for operations that accrue returns.

However, the determination of the assets that are likely to produce income is a question of fact, and therefore must be determined, in any case, by the Administration managing the tax, in view of the specific circumstances of the assets in each specific case.

Without prejudice to the above, it should be noted that in the case of the habitual residence, to the extent that the properties are assets that by their nature are capable of generating income, the value of this exceeds the maximum amount of 300,000 euros declared exempt in article 4. Nine of the Wealth Tax Law must be computed as part of the tax base for the purposes of calculating the limit of the full quota.

In this regard, see also the recent STS of November 11, 2024, issued in appeal for cassation no. 2037/2023 (ROJ : STS 5539/2024), which clarifies that the doctrine contained in STS of March 16, 2011, appeal for cassation no. 212/2007, is not applicable to real estate that is considered a habitual residence, since it is not unproductive property (that is, in terms of article 31.One.b) of the Wealth Tax Law: "assets that, due to their nature or purpose, are not likely to produce income taxed the Income Tax Law" and this is regardless of the non-generation of real estate income in the Personal Income Tax.

The magnitude of the full quota corresponding to unproductive assets (CIBI) can be determined using the following formula:

CIBI = EPN x Total Amount ÷ Taxable Base

CIBI being the full quota corresponding to unproductive assets and EPN the net value of the assets not susceptible to producing returns in the IRPF . That is, the value of such assets or rights reduced, where applicable, by the amount of the deductible debts corresponding to them and the proportional part of the debts that, while equally deductible, are not linked to any specific asset.

If the 60% limit is exceeded, said excess must be reduced by the Wealth Tax rate, but the reduction may not exceed 80% of said rate. That is, a non-reducible minimum rate is established for the Wealth Tax equivalent to 20% of the full rate of the Tax itself.

***Note:** the quota limit established in article 31.1 of the Wealth Tax Law is not applicable to non **residents who have opted in accordance with the provisions of article**) of the aforementioned Wealth Tax Law, for the personal obligation to contribute to said tax, since by not paying taxes in the IRPF, there is no possibility of adding the remaining full quotas in taxes and putting in relation to percentage of the base of the IRPF*

Particularities in case of joint taxation in personal income tax

When the members of a family unit have opted for joint taxation in the Personal Income Tax , the limit of the joint total quotas of the Personal Income Tax and the Wealth Tax will be calculated by accumulating the total quotas accrued by the members of the family unit in the Wealth Tax. Where applicable, the reduction to be applied will be prorated among the taxpayers in proportion to their respective full quotas in the Wealth Tax.

Example

Mr. JBA, single and resident in Toledo, presents the following tax information corresponding to his Personal Income Tax and Wealth Tax (IP) returns for the 2024 fiscal year.

- General taxable base of IRPF : 50,000
- General taxable base of IRPF : 48,000
- Minimum personal and family: 5.550
- Taxable and liquidable base of savings of IRPF : 2,000
- Total general state and regional share of IRPF :12,407
- Full share of savings of IRPF : 380
- Taxable base of the Wealth Tax (IP): 8,000,000

- Total amount of the Wealth Tax: 112,354.37

Determine the amount to be paid for the Wealth Tax corresponding to the 2024 fiscal year, knowing that the part of the savings tax base derived from capital gains and losses that corresponds to the positive balance of those obtained from transfers of assets acquired more than one year prior to the date of the transfer amounts to 1,000 euros, and that the net value of the assets declared not likely to produce returns in the Personal Income Tax amounts to 250,000 euros

Solution:

- Wealth Tax rate corresponding to unproductive assets: (250,000 x 112,354.37) ÷ 8,000,000 = 3,511.07
- Wealth Tax Quota susceptible to limitation (112,354.37 – 3,511.07) = 108,843.30
- General state and regional integral share of IRPF : 12.407
- State and regional total share of the savings of IRPF for the purposes of the limit (1):190
  - Sum of full quotas of IRPF (12,407 + 190) = 12,597
  - Sum of full quotas of IRPF and IP (12,597 + 108,843.30) = 121,440.30
- Limit of full quotas IRPF and IP (60% s/ 51,000) = 30,600
  - General taxable base of IRPF : 50,000
  - Taxable savings base IRPF : 1,000 (2)
- Theoretical reduction to be made in the total amount of the Wealth Tax (121,440.30 – 30,600.00) = 90,840.30
- Maximum limit for reduction of the total share of assets: (80% s/112,354.37) = 89,883.50
- Amount to be paid Tax on Assets (112,354.37 – 89,883.50) (3) = 22,470.87

Notes to the example:

(1) For the purposes of determining the full savings rate of IRPF , the part corresponding to the positive balance of capital gains and losses obtained from the transfer of assets acquired more than one year prior to the date of the transfer has not been taken into account. That is, (380 ÷ 2,000) x 1,000 = 190 euros.(Back)

(2) For the purposes of determining the taxable base for savings of IRPF , the part corresponding to the positive balance of capital gains and losses obtained from the transfer of assets acquired more than one year prior to the date of the transfer has not been taken into account. That is, (1,000 ÷ 2,000) x 2,000 = 1,000 euros.(Back)

(3) The amount to be paid for the Wealth Tax coincides with the amount of the minimum fee (20% of 112,354.37 = 22,470.87 euros). By applying this minimum rate, a non-reducible excess of 956.80 euros is produced, which is the difference between the theoretical reduction (90,840.30) and the maximum reduction limit (89,883.50).(Back)

Regional deductions and bonuses

Regulations: Art. 47 Law 22/2009

In accordance with article 47 of Law 22/2009, of December 18, which regulates the financing system of the Autonomous Communities of the common regime and Cities with Statute of Autonomy and modifies certain tax regulations, in the Wealth Tax, the Autonomous Communities may assume regulatory powers over deductions and bonuses of the fee.

The deductions and bonuses approved by the Autonomous Communities will, in any case, be compatible with the deductions and bonuses established in the state regulations governing the Wealth Tax and may not entail a modification of the same.

These regional deductions and bonuses will be applied after those regulated by state regulations.

For 2024, the deductions and bonuses approved by the Autonomous Communities are as follows:

Autonomous community deductions

Autonomous Community of Galicia

The Autonomous Community of Galicia has approved the following regional deductions for the Wealth Tax for 2024:

Due to the creation of new companies or expansion of the activity of recently created companies

Regulations: Art. 13 ter.One Revised Text of the legal provisions of the Autonomous Community of Galicia on taxes transferred by the State, approved by Legislative Decree 1/2011, of July 28

Requirements for applying the deduction

That among the assets or rights of economic content computed for the determination of the tax base there is any to which the deductions were applied in the autonomous integral quota of the IRPF relating to the creation of new companies or expansion of the activity of recently created companies, or investment in the acquisition of shares or social participations in new or recently created entities.

Amount and maximum limit of the deduction

- **75% of the portion of the share** that proportionally corresponds to the aforementioned assets or rights.
- **The maximum deduction limit will be 4,000 euros** per taxpayer.

Loss of the right to the deduction made

Failure to comply with the requirements set forth in the IRPF deductions will result in the loss of this deduction.

Incompatibility

This deduction will be incompatible with the deductions " For investment in agricultural companies " and " For participation in the equity of entities that exploit real estate in historic centers ".

By investment in agricultural companies

Regulations: Art. 13 ter.Two Revised Text of the legal provisions of the Autonomous Community of Galicia on taxes transferred by the State, approved by Legislative Decree 1/2011, of July 28

Requirements for applying the deduction

- That the assets or rights of economic content computed for the determination of the tax base are:

  a. Share capital of:

     1. Forestry development companies regulated by Law 7/2012, of June 28, on forests in Galicia.

     2. Agricultural entities, agricultural cooperatives or community land exploitation entities whose exclusive purpose is agricultural activities.

     3. Entities whose purpose is the mobilization or recovery of agricultural land in Galicia, under the instruments provided for in Law 11/2021, of May 14, on the recovery of agricultural land in Galicia.

  b. Loans made in favor of the same entities mentioned in letter a) above, as well as guarantees that the taxpayer personally constitutes in favor of these entities.

  c. Shares of capital partners in joint accounts established for the development of agricultural activities and in which the managing partner is one of the entities mentioned in letter a) above.

- Investments to which the deduction is applicable must **formalized in** public deed, which must specify the identity of the taxpayers who intend to apply this deduction and the amount of the respective transaction.

- The investments made must be kept in the taxpayer's assets for **minimum period of five years, counted from the day following the date on which the transaction is formalized in** public deed. In the case of financing operations, the maturity period must be greater than or equal to five years, without being able to amortize an amount greater than 20% per year of the principal amount. The guarantees established must be maintained during the same five-year period.

Amount of deduction

- **100% of the portion of the share** that proportionally corresponds to the aforementioned assets or rights.
- **In the case of shares in the share capital of entities** [section a) of the assets or rights of economic content indicated in the previous section], the deduction will only apply to the value of these, determined according to the rules of this tax, in the part that corresponds to the proportion existing between the assets necessary for the exercise of the agricultural activity, reduced by the amount of the debts derived from it, and the value of the net assets of the entity. To determine this proportion, the value deduced from the accounting will be taken, provided that it faithfully reflects the true financial situation of the entity.
- In the case of loans or participations in joint accounts [sections b) and c) of the assets or rights of economic content indicated in the previous section], the deduction will only be applied to the amount that finances the agricultural activity of the entity, understanding that they finance this activity in the part that results from applying to its total amount the proportion determined in accordance with the provisions of the previous paragraph.

Incompatibility

This deduction will be incompatible with the application to the same assets or rights of the **exemptions of article 4** of the Wealth Tax Law, even if said exemption is partial.

This deduction is also incompatible with the deduction " For the creation of new companies or expansion of the activity of recently created companies "

Due to the impact of rural land on agricultural exploitation and rural leasing

Regulations: Art. 13 ter.Three Revised Text of the legal provisions of the Autonomous Community of Galicia on taxes transferred by the State, approved by Legislative Decree 1/2011, of July 28

Requirements for applying the deduction

1. **Agricultural exploitation**
   - That among the assets or rights of economic content computed for the determination of the tax base are included **rustic lands assigned to an agricultural exploitation** .
   - The **agricultural holding** must be registered in the Registry of Agricultural Holdings of Galicia.
2. **Rustic Lease**

   Taxpayers who lease rustic land for the same period of time, in accordance with the conditions established in Law 49/2003, of November 26, on rustic leases **will also be entitled to this deduction**

Amount of deduction

100% of the part of the quota that proportionally corresponds to the aforementioned assets or rights, provided that they are assigned to the agricultural operation for at least half of the calendar year corresponding to the accrual.

Incompatibility

This deduction will be incompatible with the application to the same assets or rights of the **exemptions of article 4** of the Wealth Tax Law, even if said exemption is partial.

Due to the impact on economic activities of properties in historic centers

Regulations: Art. 13 ter.Fourth Revised Text of the legal provisions of the Autonomous Community of Galicia on taxes transferred by the State, approved by Legislative Decree 1/2011, of July 28

Requirements for applying the deduction

1. That among the assets or rights of economic content computed for the determination of the tax base are included real estate **located in one of the historic centers** determined in the annex of the Order of March 1, 2018 (DOG of March 13).

   See the Order of March 1, 2018, which determines the historic centers for the purposes of these deductions (DOG of March 13).

2. That said real estate assets are affected by an economic activity for at least half of the calendar year corresponding to the accrual.

Amount of deduction

100% of the portion of the share that proportionally corresponds to said assets.

Incompatibility

This deduction will be incompatible with the application to the same assets or rights of the **exemptions of article 4** of the Wealth Tax Law, even if said exemption is partial.

Documentary justification

The fact that the property belongs to a historic centre shall be accredited, in accordance with the provisions of sole article 2 of the Order of 1 March 2018 (DOG of 13 March), by means of a certificate issued by the corresponding town hall stating that the property is located within the boundaries set out in the annex to the aforementioned Order of 1 March 2018.

For participation in the own funds of entities that exploit real estate in historic centers

Regulations: Art. 13 ter.Five Consolidated Text of the legal provisions of the Autonomous Community of Galicia on taxes transferred by the State, approved by Legislative Decree 1/2011, of July 28

Requirements for applying the deduction

- That among the assets or rights of economic content computed for the determination of the tax base are included shares in the equity of entities whose assets include real estate **located in one of the historic centers** determined in the annex of the Order of March 1, 2018.

  See the Order of March 1, 2018, which determines the historic centers for the purposes of these deductions (DOG of March 13).

- That said real estate assets are affected by an economic activity for at least half of the calendar year corresponding to the accrual.

Amount of deduction

- **100% of the portion of share** that proportionally corresponds to said shares.
- The deduction will only apply to the value of the shares, determined according to the rules of this tax, in the part that corresponds to the proportion existing between said real estate assets, less the amount of the debts used to finance them, and the value of the net worth of the entity.

  To determine this proportion, the value deduced from the accounting records will be taken, provided that this faithfully reflects the true financial situation of the company.

Incompatibility

This deduction will be incompatible with the application to the same assets or rights of the **exemptions of article 4** of the Wealth Tax Law, even if said exemption is partial.

This deduction is also incompatible with the deduction " For the creation of new companies or expansion of the activity of recently created companies "

Documentary justification

The fact that the property belongs to a historic centre shall be accredited, in accordance with the provisions of sole article 2 of the Order of 1 March 2018 (DOG of 13 March), by means of a certificate issued by the corresponding town hall stating that the property is located within the boundaries set out in the annex to the aforementioned Order of 1 March 2018.

By incorporation of assets and rights to the instruments of mobilization or recovery of agricultural lands in Galicia.

Regulations: Art. 13 ter.Six Consolidated Text of the legal provisions of the Autonomous Community of Galicia on taxes transferred by the State, approved by Legislative Decree 1/2011, of July 28

Requirements for applying the deduction

- That the assets or rights of economic content computed for the determination of the tax base include assets incorporated into agroforestry polygons, model village projects or joint management groups provided for in Law 11/2021, of May 14, on the recovery of agricultural land in Galicia.
- That said assets and rights are registered in the applicable registers, in accordance with the provisions of the Law on the recovery of agricultural land in Galicia.

Amount of deduction

100 percent of the portion of the share that proportionally corresponds to said assets or rights, provided that said assignment is maintained for a period of at least five years.

Incompatibility

This deduction will be incompatible with the application to the same assets or rights of the **exemptions of article 4** of the Wealth Tax Law, even if said exemption is partial.

Autonomous Community of Murcia Region

The Autonomous Community of the Region of Murcia has approved the following regional deduction for the Wealth Tax for 2024:

For contributions to projects of exceptional regional public interest

Regulations: Art. 13 bis Revised Text of the legal provisions in force in the Region of Murcia on Transferred Taxes, approved by Legislative Decree 1/2010, of November 5

Requirements and other conditions for the application of the deduction

- That the contribution **be in money** .
- That the contribution be allocated to **projects of exceptional regional public interest.**

  For these purposes, the **Governing Council of the Region of Murcia will determine the projects that will be considered of exceptional regional public interest** for the purposes of this deduction, as well as the duration of the aforementioned projects and the basic lines of the actions that give rise to this deduction.
- That the contribution is made **during the year following the date of accrual of the tax on the aforementioned projects.**

  There is no coincidence between the tax period in which the deduction must be applied and the period in which the contribution that gives the right to it is made. Taxpayers interested in participating in projects of exceptional regional public interest **will make contributions in the year in which the project is approved by the Governing Council, under the conditions determined by** the same.

In the tax return for that year, which is submitted in the following year, the regional deduction may be applied to the Wealth Tax rate, if the project has been approved and the contributions **have been made before** the end of the submission period (generally until June 30).

In the event that the approval of the project and the contribution occur **after** the end of the deadline for filing the Wealth Tax return, that is, during the second half of the year, the taxpayer may request a correction of the self-assessment filed, under the provisions of article 120.3 of the General Tax Law, thus applying the deduction to the fee.

- To apply the tax benefit **proof of deductible contributions will be required, which will be justified by a certificate issued by the beneficiary entity**

Note: *This deduction will be applied after the deductions and bonuses regulated by State regulations.*

Amount of deduction

100% of the amount of money allocated during the year following the accrual date to projects of exceptional regional public interest

Autonomous Community of La Rioja

The Autonomous Community of La Rioja has approved the following regional deduction for the Wealth Tax for 2024:

For contributions to the constitution or expansion of the endowment to foundations of the Autonomous Community of La Rioja

Regulations: Art. 33 Law 10/2017, of October 27, consolidating the legal provisions of the Autonomous Community of La Rioja regarding own taxes and transferred taxes

Requirements and other conditions for the application of the deduction

- That among the assets or rights of economic content computed for the determination of the tax base there is any that has been or is going to be allocated during the year following the date of accrual of the Tax to the constitution of a foundation or expansion of the founding endowment of an existing one, provided that it is domiciled in La Rioja and registered in the census of entities and activities in the field of patronage and pursues purposes included in the Regional Patronage Strategy.

- The amount that cannot be deducted due to insufficient quota may be used as a tax credit under the terms provided in Chapter II of the Patronage Law of the Autonomous Community of La Rioja.

Law 3/2021, of April 28, on Patronage of the Autonomous Community of La Rioja, in its article 8, modified by article 3.One of Law 7/2021, of December 27, defines tax credit as "those amounts recognized by the Administration of the Autonomous Community of La Rioja in favor of taxpayers that can be used by them to satisfy the payment of the taxes of the Autonomous Community."

For its part, Article 9 of the aforementioned Patronage Law of the Autonomous Community of La Rioja provides that the Autonomous Community of La Rioja will recognize a tax credit in favor of donors for 25% of business collaboration agreements or monetary amounts donated in favor of the Autonomous Community, provided that they are used to finance spending programs or actions developed by its public sector that have as their object the promotion of any of the activities provided for in Article 1 of said law or the establishment of scholarships for studies.

Finally, regarding the validity of this tax credit, it should be noted that Article 11 of Law 3/2021, of April 28, on Patronage of the Autonomous Community of La Rioja states that these tax credits recognized by the Autonomous Community of La Rioja will be valid for ten years, counting from the date of their recognition.

Amount of deduction

25 percent of the value of the contribution made that must be included in the tax base.

For these purposes, the criteria for assessing the assets and rights contributed will be those indicated in Chapter 3 of this Manual within the section " Formation of gross assets: rules for the valuation of assets and rights ".

Loss of the right to the deduction made

Failure to comply with the above-mentioned requirements will result in the loss of the right and obligation to file a supplementary tax return with payment of the amount of the improperly applied deduction plus the corresponding late payment interest.

Regional bonuses

In the current year, the following regional bonuses have been established for the Wealth Tax rate, which may be applied by taxpayers resident in their respective territories who meet the conditions and requirements established by the corresponding regional regulations, which in each case are indicated below.

> ***Note:*** *For the Autonomous Communities that established a transitional regime during the validity of the ITSGF for the purposes of the practical application of their respective bonuses, if applicable, it must be understood to be applicable in 2024 as a consequence of the extension of the application of the ITSGF by virtue of Royal Decree-Law 8/2023, of December 27, as long as the revision of property taxation does not take place in the context of the reform of the autonomous financing system.*

Autonomous Community of Andalusia

Bonus: transitional regime applicable while the State Solidarity Tax on Large Fortunes is in force

Regulations: fifth transitional provision of Law 5/2021, on Transferred Taxes of the Autonomous Community of Andalusia, of October 20

> ***Note:*** *With effect from the 2024 financial year and while the Temporary Solidarity Tax on Large Fortunes (ITSGF) is in force, the following transitional regime will apply instead of Article 25 bis of Law 5/2021.*

While the Temporary Solidarity Tax on Large Fortunes , created by Law 38/2022, of December 27 (BOE of December 28), is in force, the general bonus established in article 25 bis (100 percent) will not apply. Instead, the taxpayer may apply to the resulting Wealth Tax quota a bonus determined by **the difference,** if any, between the total full quota of the Tax itself, once the joint limit established in article 31 of Law 19/1991, of June 6, on Wealth Tax has been applied (that is, the quota of IP and the quotas of IRPF), and, where applicable, the total full quota that would correspond to Temporary Solidarity Tax on Large Fortunes , once the joint limit established in article 3.Twelve of Law 38/2022, of December 27, has been applied (that is, the full quota of ITSGF , together with the quotas of IRPF and IP).

The corresponding amount will be entered in box ***[50]*** of the declaration form.

Autonomous Community of Aragon

Bonus for specially protected assets of taxpayers with disabilities

Regulations: Art. 150-1 Revised Text of the provisions issued by the Autonomous Community of Aragon on transferred taxes, approved by Legislative Decree 1/2005, of September 26

- **Requirements for applying the bonus**

  Taxpayers of this Wealth Tax who are owners of protected assets regulated by Law 41/2003, of November 18, on the protection of assets of people with disabilities and the amendment of the Civil Code, the Civil Procedure Law and the Tax Regulations for this purpose, will be entitled to this bonus.

  > Please note that, as a consequence of the introduction by Law 13/2023, of May 24 (BOE of May 25) of the Third Additional Provision in Law 41/2003, the presumption is established that the person with a disability for whose benefit the protected assets are constituted is the owner of the assets and rights that make up said assets and that contributions made to them by persons other than said owner constitute transfers to them for profit.

- **Bonus amount and limit**

  99% of the portion of the tax that proportionally corresponds to the net value of the assets and rights included in the protected assets of taxpayers with disabilities for which the taxpayer is entitled to the bonus (box ***[50]*** of the declaration form), with a limit of 300,000 euros.

  For the rest of the assets, no bonus will be applicable.

Autonomous Community of Cantabria

General bonus

Regulations: Art. 4 bis and Additional Provision Three Consolidated Text of the legal provisions of the Autonomous Community of Cantabria regarding taxes ceded by the State, approved by Legislative Decree 62/2008, of June 19

> ***Note:*** *With effect from 1 January 2024, a 100% discount on the reduced rate is established for IP taxpayers whose net assets do not exceed 3,000,000 euros, once the exempt minimum of 700,000 euros has been discounted, who are not taxpayers under the ITSGF .*

The **100 percent** of the reduced quota. The amount corresponding to this bonus will be entered in box ***[50]*** of the declaration form.

This tax credit will not apply when the taxpayer's net assets exceed €3,000,000 after deducting the exempt minimum of €700,000, while the Temporary Solidarity Tax on Large Fortunes is in effect.

Instead, the taxpayer may apply a regional tax credit determined by the difference, if any, between the total full tax liability for the Tax itself, once the joint limit established in Article 31 of Law 19/1991, of June 6, on Wealth Tax has been applied (i.e., the IP tax liability and the Personal Income Tax liability), and, where applicable, the total full tax liability that would correspond to the Temporary Solidarity Tax on Large Fortunes, once the joint limit established in Article 3.Twelve of Law 38/2022, of December 27, has been applied (i.e., the full ITSGF tax liability, together with the Personal Income Tax and IP tax liability).

> For these purposes, please note that Royal Decree-Law 8/2023, of December 27, has extended the application of the ITSGF, approved by Law 38/2022, of December 27, initially planned only for the tax periods 2022 and 2023.

Autonomous Community of Extremadura

General bonus

Regulations: Art. 15 bis Revised Text of the legal provisions of the Autonomous Community of Extremadura on taxes transferred by the State, approved by Legislative Decree 1/2018, of April 10

The **100 percent** of the reduced quota. The amount corresponding to this bonus will be recorded in box ***[50]*** of the declaration form

Autonomous Community of the Principality of Asturias

Bonus for specially protected assets of taxpayers with disabilities

Regulations: Art. 16 Revised Text of the legal provisions of the Principality of Asturias on taxes transferred by the State, approved by Legislative Decree 2/2014, of October 22

- **Requirements for applying the bonus**

  The taxpayer will be entitled to this bonus for those assets or rights with economic content that, when taken into account for determining the tax base, form part of the taxpayer's specially protected assets, established under Law 41/2003, on the asset protection of persons with disabilities and the amendment of the Civil Code, the Civil Procedure Law and tax regulations for this purpose.

  > Please note that, as a consequence of the introduction by Law 13/2023, of May 24 (BOE of May 25) of the Third Additional Provision in Law 41/2003, the presumption is established that the person with a disability for whose benefit the protected assets are constituted is the owner of the assets and rights that make up said assets and that contributions made to them by persons other than said owner constitute transfers to them for profit.

- **Bonus amount**

  99 percent of the reduced quota portion that proportionally corresponds to the net value of the assets and rights for which the taxpayer is entitled to the bonus (box ***[50]*** of the declaration form).

Autonomous Community of the Balearic Islands

Bonus for cultural consumer goods

Regulations: Art. 9 bis Revised Text of the Legal Provisions of the Autonomous Community of the Balearic Islands on Taxes Transferred by the State, approved by Legislative Decree 1/2014, of June 6

- **Requirements for applying the bonus**

  Taxpayers of this Wealth Tax who are full owners of the cultural consumer goods referred to in Article 5 of Law 3/2015, of March 23, which regulates cultural consumption and cultural, scientific and technological development patronage, and establishes tax measures, will be entitled to this bonus.

  > For the purposes of this law, cultural consumption is understood to be the acquisition by natural or legal persons of cultural products such as works of artistic creation, paintings or sculptures, in any of their formats, which are original and have been entirely created by the artist and which are unique or serial. Handicrafts and reproductions are excluded.

- **Bonus amount**

  90 percent of the proportional part of the quota that corresponds to the net value of the assets and rights for which the taxpayer is entitled to the bonus (box ***[50]*** of the Wealth Tax return).

Autonomous Community of Catalonia

Bonus of protected assets of people with disabilities

Regulations: Art. 622-1 Legislative Decree 1/2024, of March 12, approving the sixth book of the tax code of Catalonia, which includes the consolidated text of the legal provisions in force in Catalonia regarding transferred taxes.

- **Requirements for applying the bonus**

  - That in 2024 the taxpayer has his habitual residence in this Autonomous Community.
  - That among the assets that make up the tax base of the Wealth Tax, there are included assets and/or rights that form part of the protected assets of the taxpayer, established under Law 41/2003, of November 18, on the asset protection of people with disabilities and the amendment of the Civil Code, the Civil Procedure Law and the Tax Regulations for this purpose (BOE of November 19).

    > Please note that, as a consequence of the introduction by Law 13/2023, of May 24 (BOE of May 25) of the Third Additional Provision in Law 41/2003, the presumption is established that the person with a disability for whose benefit the protected assets are constituted is the owner of the assets and rights that make up said assets and that contributions made to them by persons other than said owner constitute transfers to them for profit.

The bonus may also be applied to assets or rights of economic content that form part of the protected assets established under Law 25/2010, of July 29, of the second book of the Civil Code of Catalonia, relating to the person and the family, in the terms provided for in article 2 of Law 7/2004, as amended by article 1 of Law 2/2016, of November 2.

- **Bonus amount**

  99 percent of the reduced quota portion that proportionally corresponds to the net value of the assets and rights for which the taxpayer is entitled to the bonus (box ***[50]*** of the Wealth Tax return).

Reduction of forest properties

Regulations: Art. 622-2 Legislative Decree 1/2024, of March 12, approving the sixth book of the tax code of Catalonia, which includes the consolidated text of the legal provisions in force in Catalonia regarding transferred taxes.

A 95% bonus is established for the part of the quota that corresponds proportionally to forest properties, provided that they have a management instrument duly approved by the competent forestry administration of Catalonia.

In applying this bonus, both the value of the land and, where applicable, the value of the buildings located on the forest property and which are for its exclusive use are taken into account.

Autonomous Community of Galicia

General bonus of 50%

Regulations: Third transitional provision Revised text of the legal provisions of the Autonomous Community of Galicia on taxes transferred by the State, approved by Legislative Decree 1/2011, of July 28

> ***Note:*** *As of January 1, 2023 and during the validity of the Temporary Solidarity Tax on Large Fortunes, Article 13 quater of the Revised Text of the legal provisions of the Autonomous Community of Galicia on taxes transferred by the State, approved by Legislative Decree 1/2011, of July 28, will not apply. >Since as a consequence of Royal Decree-Law 8/2023, of December 27, the application of ITSGF has been extended, the aforementioned transitional provision continues to be applicable in 2024.*

The **50 percent** of the reduced quota. The amount corresponding to this bonus will be entered in box ***[50]*** of the declaration form.

This deduction will be reduced by the amount payable arising from the application of the regulations of the Temporary Solidarity Tax on Large Fortunes for the same year, without the result being negative.

If, as a result of this reduction, the amount of this bonus is exhausted, the other regional deductions that are applicable will be reduced by the necessary amount, without the result being negative.

Madrid Province

100% general bonus

Regulations: Seventh transitional provision and art. 20 Revised Text of the Legal Provisions of the Community of Madrid on taxes transferred by the State, approved by Legislative Decree 1/2010, of October 21

> ***Important:*** *the Temporary Solidarity Tax on Large Fortunes is in force, the general bonus of 100% of the P wealth tax rate established in article 20 of the Revised Text will not be applicable. Instead, the taxpayer may apply an autonomous bonus determined by the difference, if any, between the total full amount of the tax itself, once the joint limit established in article 31 of Law 19/1991, of June 6, has been applied, and the total full amount corresponding to the Temporary Solidarity Tax on Large Fortunes, once the joint limit established in article 3. Twelve of Law 38/2022, of December 27, has been applied.*
>
> *Please note that Royal Decree-Law 8/2023, of December 27, has extended the application of ITSGF , so the aforementioned transitional provision continues to apply in 2024.*

The **100 percent** of the reduced quota. The amount corresponding to this bonus will be entered in box ***[50]*** of the declaration form.

This bonus will not apply if the resulting rate is zero.

Deduction for taxes paid abroad

Regulations: Art. 32 Wealth Tax Law

In the case of a personal obligation to contribute , and without prejudice to the provisions of International Treaties or Conventions, the lesser of the following two amounts shall be deducted from the rate of this tax, based on assets located and rights that could be exercised or had to be fulfilled outside of Spain:

a. **The effective amount paid abroad for personal tax** that affects the assets computed in the Wealth Tax.

b. **The result of applying the average effective rate of the Wealth Tax to the portion of the taxable base taxed abroad** .

   The average effective tax rate **(TMG)** is the result of multiplying by 100 the quotient of dividing the full tax rate by the taxable base. The average effective tax rate will be expressed to two decimal places. The average effective rate of tax is determined according to the following formula:

   TMG = Full share x 100 ÷ Taxable base

The determination of **the portion of the taxable base taxed abroad (BLE)** will be determined as follows:

1. The value of the asset located abroad will be subtracted from the amount of the deductible debts corresponding to it, as well as the proportional part of the debts that, being equally deductible, are not linked to any asset, thus obtaining the net asset amount corresponding to said asset (PN).

2. The net equity amount thus determined (**PN**) will be reduced by the proportional part of the reduction for the exempt minimum. This operation can be represented with the following formula:

   BLE = PN x Taxable base ÷ Taxable base

Note: *When the taxpayer has more than one asset or right located outside Spain, the deduction calculation will be made individually for each asset or right, transferring to box* ***[41]*** *of the declaration the sum of the amounts that prevail in each and every one of the individual calculations made.*

Example

Mrs. VGC, resident in Ávila, presents the following information in her Wealth Tax return for the 2024 fiscal year:

- Taxable base: 1,450,000
- Taxable base: 750,000
- Full share: 3,240.36

His declaration included a property located abroad that he owns and whose purchase price was 200,000 euros. Of the aforementioned amount, €40,000 remains outstanding as of 31-12-2024. Due to a personal encumbrance on the aforementioned property, he has paid 350 euros abroad for the 2024 financial year.

In the section corresponding to deductible debts of your Wealth Tax return, only the 40,000 euros corresponding to the property appear.

Determine the amount of the deduction corresponding to the tax paid abroad.

Solution

1. Tax actually paid abroad for the property: 350
2. Amount that would have to be paid in Spain for the property:
   - of taxable base taxed abroad(1) = 82,758.62
   - Average effective rate of tax = 0.43 per 100 (2)
   - Part of taxable base taxed abroad x average effective tax rate: (82,758.62 x 0.43%) = 355.86
3. Deduction amount (the lesser of 355.86 and 350) = 350

Notes to the example:

(1) The portion of the taxable base taxed abroad is determined by subtracting the amount of the debts corresponding to the property from the acquisition value of the property, which are the only debts that appear in the corresponding section of the declaration: 200,000 – 40,000 = 160,000 euros. Once the net value of the property has been determined, it is reduced by the proportional part of the reduction for the exempt minimum: (160,000 x 750,000) ÷ 1,450,000 = 82,758.62 euros. (Back)

(2) The average effective tax rate is determined as follows: (3,240.36 x 100) ÷ 750,000 = 0.43. (Back)

Toll bonus in Ceuta and Melilla

Regulations: Art. 33 Wealth Tax Law

If among the assets or rights of economic content computed for the determination of the tax base, there is any located or that should be exercised or fulfilled in Ceuta and Melilla and their dependencies, the tax rate **will be discounted by 75% of the part thereof that proportionally corresponds to the aforementioned assets or rights.**

This bonus will not apply to non-residents of these cities, except in relation to securities representing the share capital of legal entities domiciled and with corporate purpose in the aforementioned cities, or in the case of permanent establishments located there.

The portion of the tax to which the bonus applies can be calculated by dividing the net value corresponding to the assets and rights located in Ceuta and Melilla and their dependencies (VN) by the taxable base and multiplying this quotient by the total tax. That is to say:

VN x Total share ÷ Taxable base

Example:

Mr. SMG, a resident of Malaga, presents the following information in his Wealth Tax return for the 2024 tax year:

- Taxable base: 1,400,000
- Taxable base: 700,000

The following are among the declared assets:

- Commercial premises located in Ceuta with a net value of: 195,000
- Shares of SA "X", domiciled and with exclusive corporate purpose in Ceuta, whose net value amounts to: 100,000

Determine the amount corresponding to the tax bonus for assets located in Ceuta and Melilla:

Solution

- Full amount of the Wealth Tax (1) = 2,790.36
- Net value of assets in Ceuta and Melilla (2): 100,000
- Part of the share corresponding to said assets (3) = 199.31
- Bonus (75 per 100 s/199.31) = 149.48

- Amount to be paid (2,790.35 – 149.48) = 2,640.88

  However, please note that, from 31 December 2024, and while the temporary solidarity tax on large fortunes is in force, for residents of the Autonomous Community of Andalusia the possibility of the taxpayer choosing between two bonuses is eliminated (the general bonus of article 25 bis and the bonus established by the fifth transitional provision of Law 5/2021 for taxpayers obliged to file the ITSGF), so that only a bonus determined by the difference, if any, between the total full amount of the tax itself, once the joint limit established in article 31 of Law 19/1991, of 6 June, on the Wealth Tax, and, where applicable, the total full amount that would correspond to the temporary solidarity tax on large fortunes, once the joint limit established in article 3 has been applied. Twelve of Law 38/2022. In this way, the taxpayer who is required to file the ITSGF will not have to pay any amount in this case for said tax; will be taxed exclusively by the Wealth Tax.

Notes to the example:

(1) See the applicable tax scale in the Autonomous Community of Andalusia in Chapter 4.

The Autonomous Community of Andalusia has repealed, while the ITSGF is in force, the tax scale established in article 25 of Law 5/2021, of October 20, on Transferred Taxes of the Autonomous Community of Andalusia. Consequently, the scale established by Article 30 of Law 19/1991 on Wealth Tax is temporarily applicable. For these purposes, see the fifth transitional provision of the aforementioned Law 5/2021, as amended by Section Four of the Fifth Final Provision of Law 7/2024, of December 23, on the Budget of the Autonomous Community of Andalusia for the year 2025.

Up to 668,499.75 = 2,506.86>

Rest (31,500.25) x 0.90% = 283.50

Total full fee (2,506.86 + 283.50) = 2,790.36 **(Back)**

(2) As the taxpayer is not a resident of Ceuta or Melilla, he or she is not entitled to apply a tax credit for the premises. **(Back)**

(3) The portion of the full quota corresponding to the shares of SA "X" is determined by the following operation: (100,000 x 2,790.36) ÷ 1,400,000 = 199.31. **(Back)**

Regulations

In both state and regional regulations, the link to the **consolidated text** of the BOE has been chosen, as a document that integrates into the **original text** of the standard the **modifications and corrections** that it has had since its origin. However, when there is no consolidated text, this condition will be specifically indicated in the affected regulations.

In addition to the **latest consolidated and updated text** of the main regulations of the legal system, the **intermediate versions** that correspond to each of the modifications that it has undergone over time, the State Agency Official Gazette offers.

Each time a consolidated standard is subject to a subsequent modification, a notice appears in the consolidated text of the BOE below the list of versions, indicating that the latest update is in process. The time between publication in the BOE of the modification and the preparation of a new consolidated version that incorporates it is usually between 1 and 3 business days, according to the BOE website.

> ***Note:*** *To determine the regulations applicable in 2024, take into account , in the consolidated text, the entries into force and the dates from which the modifications introduced in the different articles take effect.*

Basic state regulations

Ley 19/1991, de 6 de junio de 1991
Impuesto sobre el Patrimonio (BOE, 07-junio-1991)

Real Decreto-ley 13/2011, de 16 de septiembre,
por el que se restablece el Impuesto sobre el Patrimonio, con carácter temporal. (BOE, 17-septiembre-2011)

Orden HAC/242/2025, de 13 de marzo,
por la que se aprueban los modelos de declaración del Impuesto sobre la Renta de las Personas Físicas y del Impuesto sobre el Patrimonio, ejercicio 2024, se determinan el lugar, forma y plazos de presentación de los mismos, se establecen los procedimientos de obtención, modificación, confirmación y presentación del borrador de declaración del Impuesto sobre la Renta de las Personas Físicas, se determinan las condiciones generales y el procedimiento para la presentación de ambos por medios electrónicos y se desarrolla la Disposición Final décima sexta de la Ley 7/2024, de 20 de diciembre, por la que se establecen un Impuesto Complementario para garantizar un nivel mínimo global de imposición para los grupos multinacionales y los grupos nacionales de gran magnitud, un Impuesto sobre el margen de intereses y comisiones de determinadas entidades financieras y un Impuesto sobre los líquidos para cigarrillos electrónicos y otros productos relacionados con el tabaco, y se modifican otras normas tributarias. (BOE, 14-marzo-2025)

Regional regulations in relation to the Wealth Tax (legal provisions)

Autonomous Community of Andalusia

Ley 5/2021, de 20 de octubre,
de Tributos Cedidos de la Comunidad Autónoma de Andalucía. TEXTO CONSOLIDADO BOE. (BOJA, 26-noviembre-2021). (BOE, 03-noviembre-2021)

Article 24 and fifth transitional provision

Autonomous Community of Aragon

Decreto Legislativo 1/2005, de 26 de septiembre,
del Gobierno de Aragón, por el que se aprueba el texto refundido de las disposiciones dictadas por la Comunidad Autónoma de Aragón en materia de tributos cedidos. TEXTO CONSOLIDADO BOE. (BOA, 28-octubre-2005)

Articles 150-1 and 150-2.

Autonomous Community of Principality of Asturias

Decreto Legislativo 2/2014, de 22 de octubre,
por el que se aprueba el texto refundido de las disposiciones legales del Principado de Asturias en materia de tributos cedidos por el Estado.TEXTO CONSOLIDADO BOE. (BOPA, 29-octubre-2014). (BOE, 03-febrero-2015)

Articles 15 and 16.

Autonomous Community of the Balearic Islands

Decreto Legislativo 1/2014, de 6 de junio,
por el que se aprueba el Texto Refundido de las disposiciones legales de la Comunidad Autónoma de las Illes Balears en materia de tributos cedidos por el Estado. TEXTO CONSOLIDADO BOE (BOIB, 07-junio-2014). (BOE, 02-julio-2014)

Articles 8, 9 and 9 bis.

Autonomous Community of the Canary Islands

Decreto-Legislativo 1/2009, de 21 de abril,
por el que se aprueba el Texto Refundido de las disposiciones legales vigentes dictadas por la Comunidad Autónoma de Canarias en materia de tributos cedidos. TEXTO CONSOLIDADO BOE. (BOC Canarias, 23-abril-2009)

Articles 28, 29 and 29 bis.

Autonomous Community of Cantabria

Decreto Legislativo 62/2008, de 19 de junio,
por el que se aprueba el texto refundido de la Ley de Medidas Fiscales en materia de Tributos cedidos por el Estado. TEXTO CONSOLIDADO BOE. (BOC Cantabria, 02-julio-2008)

Articles 3, 4, 4 bis and Third Additional Provision.

Community of Castilla y León

Decreto Legislativo 1/2013, de 12 de septiembre,
por el que se aprueba el texto refundido de las disposiciones legales de la Comunidad de Castilla y León en materia de tributos propios y cedidos. TEXTO CONSOLIDADO BOE. (BOCYL, 18-septiembre-2013)

Article 11.

Autonomous Community of Catalonia

Decreto legislativo 1/2024, de 12 de marzo
por el que se aprueba el libro sexto del Código tributario de Catalunya, que integra el texto refundido de los preceptos legales vigentes en Catalunya en materia de tributos cedidos. (BOE, 09-abril-2024)

Articles 621-1, 622-1, 622-2 and first transitional provision.

Autonomous Community of Extremadura

Decreto Legislativo 1/2018, de 10 de abril,
por el que se aprueba el texto refundido de las disposiciones legales de la Comunidad Autónoma de Extremadura en materia de tributos cedidos por el Estado. TEXTO CONSOLIDADO BOE. (DOE, 23-mayo-2018) (BOE, 19-junio-2018)

Articles 14, 15 and 15 Bis.

Autonomous Community of Galicia

Decreto Legislativo 1/2011, de 28 de julio,
por el que se aprueba el texto refundido de las disposiciones legales de la Comunidad Autónoma de Galicia en materia de tributos cedidos por el Estado. TEXTO CONSOLIDADO BOE. (DOG, 20-octubre-2011) (BOE, 19-noviembre-2011)

Articles 13, 13 bis, 13 ter, 13 quater and third transitional provision.

Community of Madrid

Decreto Legislativo 1/2010, de 21 de octubre,
del Consejo de Gobierno, por el que se aprueba el Texto Refundido de las Disposiciones Legales de la Comunidad de Madrid en materia de tributos cedidos por el Estado. TEXTO CONSOLIDADO BOE. (BOCM, 25-octubre-2010)

Articles 19 and 20, and seventh transitional provision.

Autonomous Community of Region of Murcia

Decreto Legislativo 1/2010, de 5 de noviembre,
por el que se aprueba el Texto Refundido de las disposiciones legales vigentes en la Región de Murcia en materia de tributos cedidos. TEXTO CONSOLIDADO BOE. (BORM, 31-enero-2011) (BOE, 17-junio-2011)

Articles 13, 13 Bis and Eighth Additional Provision.

Autonomous Community of La Rioja

Ley 10/2017, de 27 de octubre,
por la que se consolidan las disposiciones legales de la Comunidad Autónoma de La Rioja en materia de impuestos propios y tributos cedidos. TEXTO CONSOLIDADO BOE. (BOR, 30-octubre-2017) (BOE, 28-noviembre-2017)

Articles 33.

Community of Valencia

Ley 13/1997, de 23 de diciembre,
por la que se regula el tramo autonómico del Impuesto sobre la Renta de las Personas Físicas y restantes tributos cedidos. TEXTO CONSOLIDADO BOE. (DOCV, 31-diciembre-1997) (BOE, 07-abril-1998)

Articles 8 and 9.

Glossary of abbreviations

1. : Personal Income Tax
2. BLE: Taxable base taxed abroad
3. BOE: Official State Gazette
4. CIBI: Full share corresponding to unproductive assets
5. DOG: Official Journal of Galicia
6. DOGCV: Official journal of the Generalitat of Catalonia
7. EC: European Community
8. EHA: Ministry of Economy and Finance
9. EPN: Net value of assets not likely to generate income in personal income tax
10. EU: European Union
11. HAC: Ministry of Finance
12. HAP: Ministry of the Treasury and public administrations
13. HFP: Ministry of Finance and Civil Service
14. IP: Wealth Tax
15. IRPF: Personal Income Tax
16. IRPF Law: Personal Income Tax
17. IRPF Regulations: Personal Income Tax
18. IRPF declaration: Personal Income Tax
19. ITSGF: Temporary Solidarity Tax on Large Fortunes
20. Income: Personal Income Tax
21. Income Tax: Personal Income Tax
22. Income Tax Law and: Personal Income Tax
23. Income Tax Law for: Personal Income Tax
24. LIS: Corporation Tax Act
25. LOFCA: Organic Law on Autonomous Financing

26. NIF: Tax ID Number (NIF)
27. No.: number
28. OJEC: Official Journal of the European Union
29. PN: Equity
30. PRE: Ministry of the Presidency
31. Personal Income Tax: Personal Income Tax
32. Personal Income Tax Law: Personal Income Tax
33. Personal Income Tax Regulations: Personal Income Tax
34. RGAT: General Regulations on the Actions and Procedures for Tax Management and Inspection and the Development of…
35. ROJ: Official Jurisprudence Directory
36. STS: Supreme Court ruling
37. TEAC: Central Economic Administrative Court
38. TMG: Average effective tax rate
39. citizens can also identify EU using eIDAS authentication,: European Union
40. country to use their national electronic ID to carry out procedures on the Tax EU's e-Office, including filing: European Union
41. in accordance with the provisions of article: Personal Income Tax
42. no.: number
43. number.: number
44. of the: Personal Income Tax
45. percentage of the: Personal Income Tax
46. the: Personal Income Tax

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