Law 35/2006 Of 28 November, Personal Income Tax And Partial Modification Of The Tax Laws Tax, Non-Resident Income And On Capital.

Original Language Title: Ley 35/2006, de 28 de noviembre, del Impuesto sobre la Renta de las Personas Físicas y de modificación parcial de las leyes de los Impuestos sobre Sociedades, sobre la Renta de no Residentes y sobre el Patrimonio.

TEXT

JUAN CARLOS I

KING OF SPAIN

To all who present it and understand it.

Sabed: That the General Courts have approved and I come to sanction the following law.

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PREAMBLE

I

Background

The Tax on the Income of the Physical Persons is a tribute of fundamental importance in order to make the mandate of article 31 of the Spanish Constitution effective, which requires the contribution of all " ... public expenditure in accordance with its economic capacity through a fair tax system based on the principles of equality and progressiveness which, under no circumstances, will have a confiscatory scope. "

The idea of a personal tax on the income of individuals of general, personal and progressive nature was introduced in Spain with the tax reform of 1978, although it has known different models derived from the different economic and social policy objectives that have been articulated through this tax figure.

The process began with Law 44/1978, a rule that led to its last consequences the idea of generality and communication between different sources of income, so that a synthetic tax was designed in which the Compensation among any of them was allowed with absolute freedom. Over time, the initial design had to be rectified in two basic aspects: on the one hand, the total freedom in the compensation of income propitious than those that could be carried out with absolute discretion, case of the property losses, use as an instrument to reduce the tax to be met by other sources of income. On the other hand, the compulsory accumulation of the income of the family unit, in a tax of a progressive nature which it considers as a taxpayer to the individual, was at the origin of the judgment of the Constitutional Court of 20 February 1989 and forced to amend the tax regulation to bring it into line with its essentially individual nature.

These modifications were consolidated in the subsequent evolution of the tax. Thus, the subsequent regulations no longer imposed an absolutely synthetic tax, but they maintained the differentiation in the tax treatment of certain sources of income, in particular the profits and losses of property, in respect of the the rest, and at the same time they configured the tax with a markedly individual character, leaving the joint taxation as an option for those family units that will decide. In particular, in successive reforms a very similar definition has been maintained

of the different categories of income and of the assumptions of non-subjection and exemption, that is, of the basic concepts in the determination of income.

The last of these IRPF reforms, that of Law 40/1998 and Law 46/2002, have led to a reduction in both the tax rates and the number of tranches of the scale, while replacing the deductions in the (a) the share of personal and family circumstances by reductions in the tax base, and have maintained, to a large extent, diversity in the treatment of different savings formulas.

As for Corporate Tax, there has been a greater approximation of tax rules for the calculation of the tax base and the accounting result in recent years, maintaining stability in nominal rates of taxation and incorporating numerous tax incentives. At the same time, the scope of application of the tax regime for small and medium-sized enterprises has been substantially extended.

The growing globalization of the economy is introducing an important concern for productivity and economic growth. It is accompanied by new trends in international taxation, highlighting the reduction of nominal rates for companies and individuals, the simplification of tariffs and tax incentives, as well as the search for a reduction in the number of taxation of the labour factor. At the same time, as relevant factors, the attempt to achieve greater homogeneity in the tax treatment of savings, undoubtedly linked to the increasing freedom of movement of capital, and greater relative importance of the environmental taxation.

The reform being addressed is part of this framework. It deepens the modernization of the Spanish tax system with a strategic and integral vision that will contribute to the improvement of the growth and competitiveness model, an approach that is adapted to the social and economic reality of Spain. The new features proposed are incorporated into the current regulatory body, maintaining as much as possible the structure of the texts currently in force and the content deemed appropriate. On the other hand, the reform of corporate tax and environmental taxes has a temporary dimension, as it is planned to be phased in.

II

Objectives and relevant aspects of the reform

The government has established, as the guiding principles of Economic Policy, sustained and balanced growth, based on productivity, as well as the improvement of welfare and social cohesion. To this end, on the basis of respect for the principle of budgetary stability and financial sufficiency, a number of initiatives have been taken on budgetary matters, with the primacy of expenditure policies with an impact on productivity, which complement each other. with the tax reform.

In this context, action is taken immediately on the taxation of the income of natural and legal persons, and environmental taxation will be developed in the near future with the aim of improving efficiency energy and facilitate the financial balance of the reform.

The reform has as fundamental objectives to improve equity and promote economic growth, while at the same time seeking to guarantee financial sufficiency for all public administrations. Homogeneous taxation of savings and addressing, from a fiscal perspective, problems arising from ageing and dependency.

Without prejudice to the subsequent description of the content of the Law, there are certain aspects of the reform that must be the subject of priority attention.

1) For the improvement of equity, the tax burden borne by income from work is reduced, substantially increasing the reduction established for the same, especially for lower incomes. It is a question of giving special treatment to this type of income for the following reasons: to compensate, by way of a lump sum, the general expenses incurred by a worker; to recognise the contribution which this source of income makes to the set of the tax base; its control facility and the one that is an unfounded or unfunded income.

As a novelty, this reduction will also apply to certain self-employed workers who, due to the special circumstances in which they are engaged in their activity and their controlled income, have characteristics very close to the of the employed person.

2) With the same purpose of improving equity, income thresholds are raised not subject to taxation, and equality is recovered in the treatment of personal and family circumstances.

Until 1998, the treatment of the same was carried out by deductions in the tax quota. Since 1999 they were replaced by a minimum personal and family, deductible from the tax base, the function of which was to quantify that part of the income which, for the purpose of satisfying the basic personal and family needs of the taxpayer, was considered that it should not be taxed.

The consequence of this reduction scheme in the tax base, when it is linked to a tax with progressive tariff, is that the benefit to the taxpayer is directly proportional to its income level (higher income, higher benefit) as the minimum personal and family operates through the marginal rate of each taxpayer. It implies, therefore, to accept that the same need, such as the maintenance of a child, has a different consideration in the tax according to the level of income of the family.

To ensure the same reduction in the tax burden for all taxpayers with equal family status, regardless of their income level, a large and flexible first tranche is set up, in which the minimum intended to recognise personal and family circumstances. Therefore, these minima, technically, are taxed at zero rate. This structure assumes that taxpayers do not pay for the first monetary units they obtain and that they are intended to cover vital needs, so that taxpayers with equal personal and family circumstances achieve the same saving, thereby improving the progressiveness of the tax. The introduction of an amount to which a zero rate is applied allows the same equity effect to be achieved with the application of the deductions in the quota.

In this consideration of personal and family circumstances, a mention should be made of the option for joint taxation. The policy of non-discrimination on grounds of gender and reasons for simplification of tax management could justify its review. However, their current treatment is maintained in the tax to avoid a number of injured parties in marriages where one of their members is unable to access the labour market, and therefore returns only one of the spouses, as could be the cases of certain pensioners with reduced income, or of certain large families.

3) In order to promote economic growth, the number of sections of the tariff is reduced to four, in line with current trends in OECD countries, and a notable expansion of the first of the This will mean that more than 70% of taxpayers with lower incomes will see their taxation simplified. On the other hand, for reasons of incentive to personal work, the maximum marginal rate is set at 43%.

It is particularly noteworthy, though perhaps not as easily discernible as the reduction of rates, that the increase in the amounts of all the tranches of the tariff would lead to an additional reduction of the rates. supported tax rates. The objective is less effective taxation, which is achieved with the combination of higher exempt minimums and the structure of the tariff, in which the first tranche is extended and includes, in general, personal minimums.

4) For reasons of equity and growth, a neutral treatment is given to income derived from savings, eliminating the unjustified differences that currently exist between the different instruments in which it materializes. With this, while the choice of investors will be simplified, the fiscal neutrality of the different products will be increased and productivity and competitiveness will be favored, improving the position of our country in an international environment of free movement of capital and strong competition. In this way, the modernization of the taxation of savings is addressed, subject to the previous reforms.

It is thus avoided that the differences in the tax burden that the different instruments support will distort the financial reality of the savings (such as the so-called financial-tax return that measures a profit completely. This is a tax framework which is characterised by the lack of transparency and differences in taxation which are used for the purpose of maintaining captive use. certain investments.

For this purpose, it is established to incorporate all the income that the Law qualifies as coming from savings on a single basis with taxation at a fixed rate (18%), identical for all of them and independent of their time of generation, Because economic globalization makes attempts to artificially split financial markets by asset types or by deadlines useless.

In relation to dividends, the Community case-law requires that the same treatment be granted to dividends of domestic origin and to those of any other Member State of the European Union. In line with recent trends, a return to a classic system of non-integration between the Income Tax of the Physical Persons and the Tax on Societies, and with the reforms operated in other countries of our environment, has been simplified taxation by incorporating them on the basis of savings and the application of a minimum exemption which will exclude the charge, for this concept, of many taxpayers.

5) With the aim of improving social cohesion and addressing the problems arising from ageing and dependency, instruments intended to provide supplementary pension income are encouraged. public or to cover certain risks.

In all developed countries, a process of population aging is being recorded, which, in the medium term, makes it difficult to achieve the sustainability of public social welfare systems. In order to address this important challenge, the OECD countries have in the past implemented fiscal measures, encouraging the development of private pension schemes which are complementary to the basic system of social security. The purpose of these schemes is for individuals to obtain, through the public system and their private pension scheme, a benefit that allows their income to be approximated to the last salary received during their working life.

In order to achieve this objective, the tax is intended to redirect tax incentives to the supplementary social provision towards those instruments whose perceptions are received on a regular basis, for which the tax is eliminated. 40% reduction previously in force for withdrawals from the accumulated capital system in the form of a single payment. In addition, fiscal benefits are granted to the business social security plans and a new product to promote long-term savings is foreseen when the constitution of a life income is compromised with the accumulated capital, the called the individual plan for systematic savings, even though it operates differently from the others because it has no incentive for entry.

Likewise, for reasons of equity and complementarity with the public pension system, the limits of the contributions are limited. The experience of recent years shows that the average contribution has not exceeded EUR 2 000, although they have been disproportionately incentivised, and in addition to the objectives of social provision, very high contributions for certain taxpayers with high economic capacity.

The consideration of contributions to these systems as a deferred wage, the reduction of limits and respect for the context of neutrality in the taxation of savings, justifies all the instruments of social foresight that comply with the required characteristics and apply the incentive of the reduction in the tax base, without distinction between them. And all this with the lowest possible impact on the regulatory financial regulation of pension plans and funds.

6) Reasons for equity and social cohesion advise giving special attention to the problem of dependency in Spain, encouraging, for the first time from a fiscal point of view, the private coverage of this contingency.

in this way, the Spanish social reality is recognized, in which there is an increase in the life expectancy associated with a problem of aging and dependence on a good part of the citizens, existing also other factors that sharpen their dimension in the population sector that requires special attention.

Two types of benefits are configured: those aimed at those people who are already dependent, for whom the possibility of mobilizing their real estate assets with a view to obtaining income streams that allows them to be to have the resources to meet the economic needs, and, on the other hand, those aimed at those who want to cover an eventual risk of incurring a situation of severe dependence or heavy dependency.

Additionally, since the usual housing constitutes an important manifestation of family savings, mechanisms are introduced into the Law that allow, in situations of severe dependence or heavy dependence, to make liquid source of savings at no tax cost, which is certainly an additional means of coverage of this contingency.

7) For reasons of social cohesion, continuity is given to the tax support for the acquisition of the usual dwelling, maintaining the current deduction base and homogenizing the applicable percentages.

8) The proposed measures should determine in the future an economic growth that should be achieved in greater revenue collection. However, a decrease in revenue may result in a static consideration.

In this regard, this Law takes into account that the Autonomous Communities have regulatory capacity, with the scope provided for in Article 38 of Law 21/2001, of 27 December, for which the tax measures are regulated and (i) administrative arrangements for the new system for the financing of the Autonomous Communities of the common system and cities with autonomy status, and may, if they so decide, compensate for the static effect of the reduction. of the collection referred to in the previous paragraph.

In the text of the standard, the current distribution of competences in the tax system is respected, with the precision made with respect to the tariff. However, the negotiation of a new system of financing for the Autonomous Communities may require, when the process is completed, a new regulation of the title referred to the autonomous charge and the regulatory and management powers. attributed to those.

9) The reform of the corporate tax will be gradual, and it responds to the need to defend the competitive position of our companies at the community level, to achieve greater fiscal coordination with the countries of our environment, simplify the structure of the environment and achieve greater neutrality in its implementation, encouraging the creation of enterprises.

The principle of international coordination requires that the basic tendencies of the tax systems of our environment be taken into consideration, even more so in the context of a single European market. This principle is based on the internationalisation of our economy. Measures such as the reduction of tax rates, a reduction which has been gradually taking place in the various Member States, and the simplification of tax incentives are consequences of this principle.

As far as tax incentives are concerned, they must be justified on the basis of market imbalances, since the principle of neutrality requires that the application of the tax does not alter the economic performance of the taxable persons. liabilities and the location of the investments, except that such alteration tends to overcome these imbalances. In many cases, investment tax incentives are ineffective, they have a high cost of collection, they complicate the liquidation and they generate a lack of neutrality in the tax treatment of different investment projects.

Therefore, the elimination of the incentives will greatly simplify the application of the tax and will facilitate its management by the tax administration, thus satisfying the principle of transparency, which requires that the They are intelligible and precise and a certain tax liability is derived from their application.

The aforementioned aspects constitute the first phase of the planned reform in the tax to be completed, in its substantial aspects, once the development of the adequacy of the accounting regulations to the norms has occurred. International Accounting, given its relationship with Corporate Tax.

10) For reasons of coherence and coordination with the regulation of Taxes on the Income of the Physical Persons and on Societies, a series of modifications are introduced in the Law of the Income Tax Residents, who also intend to bring the legislation into line with Community law, and technical adjustments to the Heritage Tax Act.

Finally, in order to respect the expectations of those who acquired certain investment commitments under the previous legislation, the tax treatment currently in force for certain contracts is maintained or investments formalized prior to the date of submission to public information of this standard.

III

Content of the Law

This Law is structured in a preliminary title, thirteen titles and 108 articles, together with the corresponding additional, transitional, repeal, and final provisions.

In the Preliminary Title, the income of the taxpayer is defined as the object of the Tax, meaning the sum of all its income, profits and property losses and imputations of income. In view of the above notion of considering as the object of the tax the disposable income, that is to say the result of decreasing the total income obtained in the amount of the reductions for personal and family circumstances, it is understood, reasons set out in paragraph II above, that the consideration of these circumstances at the time of the calculation of the tax eliminates the unwanted discrimination introduced by the current system. In its present terms, the tax consideration is maintained as part of a partial loan to the Autonomous Communities, although it has already been pointed out that its definitive configuration will depend on the new financing system agreed upon, and the relative to the scope.

Title I maintains, in very similar terms to the current ones, the material aspects (with the introduction of some new exemption assumptions), personal (with some technical reordering), and temporary fastening to the Tax.

Title II, integrated only by Article 15, constitutes the general framework for the determination and quantification of the income to be taxed, establishing the basic rules to be developed in successive titles.

Thus, Title III deals with the determination of the tax base, with a first chapter devoted to the methods used to carry out the tax base and a second chapter divided into sections for the treatment of the various sources of income. As more significant developments, it should be noted:

In the performance of the work, the assumptions derived from the new instruments of social forecast are incorporated, and it is located, again, in the determination of the net yield the

reduction for obtaining this type of yields. Its value is substantially higher than that contained in the previous regulation, in particular in relation to the lowest income, in compliance with the commitment to improve this source of income.

In capital returns, the previous regulation is essentially maintained, although the dividend integration rule that was previously contained in the law disappears, opting for a classic relationship system. between the corporate tax and the income tax of natural persons. As a result of this option, the double taxation deduction of dividends disappears and an exemption is introduced for those who do not exceed a total amount of EUR 1,500.

The fundamental novelty affecting these yields is their incorporation into the tax base of savings, with the exception of certain specific assumptions which, by their nature, could also be found within the economic activities, such as rights derived from intellectual or industrial property, leases of movable property, business or mines, or derivatives of the transfer of image rights.

There are also no substantial changes in the treatment of economic activities. However, the introduction in the calculation of the exclusion volume of the method of objective estimation by indices, signs or modules, both in terms of income and in relation to purchases of goods and services, not only of the the amount corresponding to the individual taxpayer himself, but also of those amounts which may correspond to the economic activities carried out by certain relatives or entities on the basis of income participate in any of the above mentioned. It should also be noted that certain contributors, with very simple production structures, will apply when they determine their performance by the direct estimation method and comply with the formal requirements to be established. (a) a reduction equivalent to that which corresponds to the recipients of income from work, since they are similar to that in relation to the employer's dependence.

Respecting the structure of the regulations currently in force, the imputations and attributions of rents are not found in this Chapter but are regulated in a specific Title, the X, than to its previous content of imputations of income (real estate, the international tax transparency regime and image rights) and income attributions (from the entities without legal personality of Article 35.4 of the General Tax Law) incorporates, as a regime Additional tax, corresponding to certain taxpayers who change their In the case of the Spanish territory, which at present was the subject of regulation in Article 9 (5) of the recast of the Law, and a Chapter relating to the taxation of the transfer of securities or shares of institutions of collective investment, which was previously regulated in a specific title.

Chapters IV and V of this Title contain the essential elements of the modifications introduced as a consequence of establishing a specific base for all categories of financial savings and property gains and losses. derived from the transfer of assets, differentiated from the derivative of the other sources of income. Thus, Chapter IV establishes the distinction between a general income, income, imputations and certain gains and losses which, since they are not linked to a

transmission, are integrated into the general tax base, and the income from savings, (a) a comprehensive assessment of the amount of the tax to be imposed on a fixed rate of tax on the taxable amount of the savings.

Classified the income in these two big blocks, Chapter V is the one that establishes the rules of integration and compensation for each one of them. There is still no communication between the two sides of the tax base. In turn, there is also incommunicado, within the income of savings, between income from income and derived from profits and property losses, whatever their period of generation. On the contrary, a limited compensation of the net property losses is possible in the general tax base.

Title IV refers to the determination of the liquidable base. Given that personal and family circumstances are to be taken into consideration at the time of the calculation of the tax and that the reduction in income from work has been included in the determination of net yields, reductions to (i) practice on the general tax base is limited to those linked to the attention of the situations of ageing and dependence, in the terms mentioned in the previous paragraph. In addition, the possibility of reducing compensatory pensions is maintained by judicial decision, as at present.

Title V is intended to assess and quantify the personal and family circumstances that are the subject of consideration in the tax. After a portico article, in the four subsequent articles the different circumstances regarding the taxpayer (the minimum personal, with the corresponding increase to reach certain ages), descendants (including the special consideration for children under the age of three years), ascending (also with the increase applicable from a certain age) and disability, both from the taxpayer and from the ascendant and descendants in his/her position, including the increases for assistance to the disability situations of all of them. In particular, it is important to highlight the important effort made, with the elevation of the minimums, to improve the treatment of families, especially of the many.

Title VI is intended for the calculation of the tax for the State. In its Chapter I, the system of determining the full state quota, as mentioned above, establishes the consideration of the personal and family circumstances, technically taxed at zero rate, with the specialties, at present, for the assumptions of annuities for food in favor of the children and the lien of the residents abroad. In its Chapter II, it deals with the determination of the state's liquid quota, for which it undermines the total in the percentage corresponding to the State of the deductions established in the law, coinciding with the existing ones.

Title VII refers to the autonomous charge. The current regulation remains in the norm, even though it is aware that this title will have to be redrafted when a new model of autonomic funding is agreed. In the meantime only the additional fee and the fixed rate of charge corresponding to the savings base are modified.

Title VIII regulates the collection of the tax differential, maintaining a regulation similar to the current one with the sole exception of the disappearance of the double taxation deduction, parallel to the abolition of the integration rule in the tax base referred to above.

Title IX regulates the option for joint taxation. As mentioned in the previous paragraph, it is maintained in practically identical terms to its current regulation, so as not to prejudice certain situations.

Title X regulates special regimes. The modifications made to it have been detailed in the analysis of the content of Title III, so no comment can be added.

Title XI regulates tax management. It is important to highlight the deletion of the communication model for rapid return, since the generalization of the draft makes its maintenance practically unnecessary. Certain limits and conditions for the obligation to declare are also amended as a result of the new provisions introduced.

Titles XII and XIII refer to, with content very similar to the current of the same denominations, the patrimonial responsibility and sanctioning regime, and the jurisdictional order, respectively.

The rule contains a number of additional, transitional, repeal, and final provisions. It should be noted that these provisions are intended to meet the above expectations of those who have acquired certain investment commitments in the field of previous legislation.

In relation to the Corporate Tax, in the first place, the general rate of taxation of 35% is reduced by five points in a gradual way in two years, so that from the year 2007 it will be fixed at 32.5 percent. and 30 percent in 2008. Likewise, in two exercises, the rate of the tax on the entities involved in the exploration, investigation and exploitation of hydrocarbons will be reduced by five percentage points, up to 35 percent in the year 2008. In addition, the reform pays particular attention to small and medium-sized enterprises, as a dynamic element of economic activity, so that the reduction of five points of their tax rates is carried out in a single financial year, so their Tax, for that part of its tax base which does not exceed a certain amount, will be fixed at 25% from the year 2007, while the excess over the same amount will be taxed at the rate of 30% from that same year. year.

Secondly, it is established that the reduction in the tax rate will be accompanied by the progressive elimination of certain bonuses and deductions that cause distortive effects, while maintaining the deductions that aim to eliminate double taxation, thus achieving greater equity in the tax. However, the deduction for reinvestment of extraordinary profits is maintained by establishing limitations in order to ensure investment in productive activities.

Most of the deductions are gradually reduced to their complete disappearance from 2011. This gradual reduction is extended until 2014 in respect of the bonus for export activities for film and book productions, and for deductions for investments in goods of cultural interest, film productions and book editing.

Special mention deserves the deduction for research and development and technological innovation activities, the application of which is maintained for another five years, retaining this deduction the current structure while reducing the (a) the rate of deduction in the same proportion as the rate of charge, in order to enable firms to adapt their investment policies to the new framework for public support to promote such activities, since a new instrument, alternative to the fiscal, incentive of these same activities, consisting of a bonus of social security contributions in favour of the research staff.

Also, the deduction for investments for the implementation of companies abroad in 2007 also disappears, since the tax contains other formulas that encourage the internationalization of companies.

In short, with this Law, we achieve greater fiscal coordination and convergence in the area of Corporate Tax, approximating our tax rate to the countries of our environment and reducing tax incentives. selective, increasingly disused. In addition, progress is being made in reducing the distortions generated by the diversity of types in the European Union.

With the significant reduction in the tax rate and the elimination of bonuses and deductions, it is intended that taxation will not distort the freedom of movement of capital, goods and services, and that by achieving greater international tax coordination improves our competitive situation in the international environment.

On the other hand, the rate of withholding or income from the Company Tax is fixed at 18 percent, in line with the new tax rate of savings income in the area of the IRPF.

Finally, deductions for investments in compliance with the events of exceptional public interest, regulated in Law 49/2002 of 23 December, of the tax regime of the public, are also eliminated. non-profit-making entities and tax incentives for patronage, modifying the deduction for propaganda and advertising costs of such events, in order to bring them into line with patronage actions.

The second repeal of the Law repeals, from different time points, the deduction for investments for the implementation of foreign companies, the special tax regime of the property companies, subsidies for export activities, and the majority of deductions to encourage the realization of certain activities of Chapter IV of Title VI of the recast of the Law on Corporate Tax.

With regard to the abolition of the regime of the property companies, it should be remembered that the same wine to replace the previous regime of fiscal transparency, in order to avoid the taxation, by natural persons, of income from property and rights not affected by economic activities through the interposition of a company.

This scheme was constructed in such a way that a single taxation equivalent to that resulting from directly obtaining the members ' income was achieved at the headquarters of the patrimonial company, all within the framework of a model where the Corporate Tax was a precedent of the Income Tax of the Physical Persons. The reform of the latter tax returns to the classic model of non-integration of both taxes as soon as the tax treatment of savings is unifies, whatever the origin of the tax, which motivates an autonomous taxation of both taxes. Therefore, the integration represented by the regime of the heritage companies is justified.

Likewise, the anti-deferral purpose of the said regime now loses its meaning with the new regime of taxation of savings. In short, with the elimination of the regime of the patrimonial societies, when a taxpayer makes its investments or carries out its activities through the corporate form, the taxation will be the one that corresponds to the norms General of the Tax on Companies without any specialty, since the choice of the legal form will respond not so much to fiscal but economic motives. However, a transitional regime is regulated so that these companies can adopt their dissolution and liquidation without tax costs.

Moreover, three additional provisions are added to the recast text of the Corporate Tax Act which regulates tax and tax incentive rate reductions, as well as six transitional provisions. The first of these rules regulates the transitional arrangements for the deduction of investments for the introduction of foreign companies. The second contains the scheme of deductions to avoid double taxation which, at the entry into force of this Law, is still to be applied. The third transitional provision lays down the rules governing the application of the deductions from Chapter IV of Title VI which, as at 1 January 2011, 2012 or 2014, were pending to be applied, as well as the consolidation of the deductions. (i) The fourth regulation regulates the transitional arrangements for the companies which are the subject of a derogation. The fifth set the transitional bonus scheme for export activities. Finally, the sixth regulation regulates the transitional arrangements for the dissolution and liquidation of property companies.

With regard to the Tax on Heritage, the disappearance of the heritage companies from the normative framework of personal taxation on the income of natural and legal persons requires the transfer of the Law 19/1991 requirements and conditions which, collected to date by reference to Article 75 of Law 43/1995, of 27 December, of the Tax on Companies, are required for the purposes of the exemption in the Tax on the holdings in institutions. The overall limit on the full income tax rates of the Physical Persons and the Heritage is maintained at 60 per cent, although it will operate on the total tax base of the income tax, both the general and the of the savings.

With regard to the Non-Resident Income Tax, changes are made to the tax rates, both in general and those corresponding to permanent establishments and savings income, for adapt them to the modifications made to the tax figures mentioned above.

PRELIMINARY TITLE

Nature, object, and scope of application

Article 1. Nature of the Tax.

The Income Tax of the Physical Persons is a personal and direct tribute that taxes, according to the principles of equality, generality and progressiveness, the income of the natural persons according to their nature and your personal and family circumstances.

Article 2. Object of Tax.

Constitutes the object of this Tax the income of the taxpayer, understood as the totality of its income, profits and property losses and the imputations of income that are established by the law, independently of the place where they were produced and whatever the residence of the payer.

Article 3. Configuration as partially assigned tax to the Autonomous Communities.

1. The Tax on the Income of the Physical Persons is a partially transferred tax, in the terms established in Organic Law 8/1980, of 22 September, of Financing of the Autonomous Communities, and in the rules of the cession of State taxes to the Autonomous Communities.

2. The scope of the regulatory powers of the Autonomous Communities in the Income Tax of the Physical Persons shall be that provided for in Article 38 of Law 21/2001 of 27 December 2001 regulating fiscal measures and The new system of financing of the Autonomous Communities of the common system and cities with autonomy status.

3. The calculation of the autonomous liquid quota shall be carried out in accordance with the provisions of this Law and, where applicable, in the regulations issued by the respective Autonomous Community. In the event that the Autonomous Communities have not assumed or

exercised the regulatory powers on this tax, the liquid quota shall be required in accordance with the supplementary tariff and deductions established by the State.

Article 4. Scope of application.

1. The Tax on the Income of the Physical Persons will be applied throughout the Spanish territory.

2. The provisions of the preceding paragraph shall be without prejudice to the foral tax systems of concert and economic agreement in force, respectively, in the Historical Territories of the Basque Country and in the Autonomous Community of Navarra.

3. In the Canary Islands, Ceuta and Melilla will take into account the specialties provided for in their specific legislation and in this Law.

Article 5. Treaties and Conventions.

The provisions of this Law shall be without prejudice to the provisions of international treaties and conventions that have become part of the internal order, in accordance with Article 96 of the Constitution. Spanish.

TITLE I

Subject to Tax: Material, Personal and Temporary Aspects

CHAPTER I

Taxable income and exempt income

Article 6. Taxable fact.

1. It is the taxable fact to obtain income from the taxpayer.

2. They make up the income of the taxpayer:

a) The returns of the job.

b) The returns on capital.

c) The income from economic activities.

d) Property gains and losses.

e) Income charges that are established by law.

3. For the purposes of determining the tax base and the calculation of the tax, the income shall be classified in general and savings.

4. The income that is subject to the Tax on Successions and Donations shall not be subject to this tax.

5. The benefits of goods, rights or services liable to generate income from work or capital shall be presumed to be paid, unless otherwise proved.

Article 7. Exempt income.

The following rents will be exempt:

(a) Extraordinary public services for acts of terrorism and pensions derived from medals and decorations granted for acts of terrorism.

b) Aid of any kind perceived by those affected by the human immunodeficiency virus, regulated in Royal Decree-Law 9/1993, of 28 May.

c) Pensions recognised in favour of persons who have suffered injuries or mutilations on the occasion or as a result of the Civil War, 1936/1939, either under the State's passive classes or under the aegis of the special legislation dictated to this effect.

d) Compensation as a result of civil liability for personal injury, legal or judicially recognized.

Compensation will also be exempt for the same type of damage from accident insurance contracts, except for those whose premiums could have reduced the tax base or be considered as deductible expenditure. application of Article 30 (2) of this Law to the extent to which the system for the assessment of damage caused to persons in road accidents is applied for the damage suffered, as an annex to the recast text of the Law on Civil and Safe Liability in the Movement of motor vehicles, approved by the Royal Legislative Decree 8/2004 of 29 October.

(e) Compensation for dismissal or termination of the worker, in the amount laid down in the Staff Regulations, in his or her development rules or, where appropriate, in the rules governing the execution of judgments, without it being possible to be considered as such under the terms of the agreement, agreement or contract.

When the contract of work is extinguished prior to the act of conciliation, severance payments shall be exempt which do not exceed what would have been the case if the contract had been declared (i) not to deal with extinctions by mutual agreement in the framework of schemes or collective schemes for low incentives.

(f) The benefits recognised to the taxpayer by the Social Security or by the entities that replace it as a result of absolute permanent incapacity or great invalidity.

Also, the benefits recognised to professionals not included in the special social security scheme for self-employed or self-employed persons by means of social welfare insurance schemes acting as a alternatives to the special scheme of social security referred to above, provided that they are in situations identical to those provided for in the case of permanent incapacity for absolute or major invalidity of social security. The exempted amount shall be limited to the amount of the maximum benefit recognised by the Social Security for the relevant concept. The excess shall be taxed as a performance of the work, in the case of a concurrency of social security benefits and of the mutual benefits referred to above, in the performance of the latter.

g) Pensions for uselessness or permanent incapacity for the passive class regime, provided that the injury or illness that would have been caused by those pensions will completely disable the recipient of the pension for any profession or trade.

(h) Family benefits provided for in Chapter IX of Title II of the recast of the General Law on Social Security, approved by Royal Decree of Law 1/1994 of 20 June, and pensions and assets (b) Orphan's liabilities and in favour of grandchildren and siblings, less than twenty-two years of age or disabled for all work, perceived by the public social security schemes and passive classes.

Also, the benefits recognised to professionals not included in the special social security scheme for self-employed or self-employed persons by means of social welfare insurance schemes acting as a alternatives to the special scheme of social security referred to above, provided that they are in situations identical to those provided for in the preceding paragraph by the Social Security for the professionals integrated into the special scheme. The exempted amount shall be limited to the amount of the maximum benefit recognised by the Social Security for the relevant concept. The excess shall be taxed as a performance of the work, in the case of a concurrency of social security benefits and of the mutual benefits referred to above, in the performance of the latter.

Other public benefits by birth, birth or multiple adoption, adoption, children in charge and orphan will also be exempt.

Public maternity benefits from the Autonomous Communities or local authorities will also be exempt.

i) The perceived economic benefits of public institutions for the reception of persons with disabilities, over 65 years of age or younger, whether in simple, permanent or pre-adopted or equivalent provided for in the orders of the Autonomous Communities, including the acceptance in the execution of the judicial measure of coexistence of the child with person or family provided for in the Organic Law 5/2000, of 12 January, regulating the liability Children's penalty.

Economic aid granted by public institutions to persons with disabilities with a disability rate equal to or greater than 65% or over 65 years of age to finance their stay will also be exempt. residences or day centres, provided that the rest of their income does not exceed twice the public multi-purpose income indicator.

(j) Public scholarships and scholarships granted by non-profit-making entities to which the special scheme governed by Title II of Law 49/2002 of 23 December of 23 December of the tax regime of the non-profit-making entities applies. profit and tax incentives for patronage, perceived to be used to study regulated studies, both in Spain and abroad, at all levels and degrees of the educational system, in the terms that are regulated.

They will also be exempt, on the terms that they regulate, public scholarships and those granted by the non-profit entities mentioned above for research in the field described by the Royal Decree 63/2006 of 27 January 2006 approving the Staff Regulations of the investigating staff, as well as those granted by those for the purpose of investigation to officials and other staff at the service of public administrations and the teaching and research staff of the universities.

k) Annuities for food received from parents by judicial decision.

l) The relevant literary, artistic or scientific awards, with the conditions that are regulated, as well as the "Prince of Asturias" awards, in its various modalities, awarded by the Prince of Asturias.

m) Aid of economic content to high level athletes adjusted to the preparation programs established by the Superior Council of Sports with the Spanish sports federations or with the Spanish Olympic Committee, under the conditions to be determined by regulation.

n) The unemployment benefits recognised by the respective managing body when they are received in the single payment method set out in Royal Decree 1044/1985 of 19 June 1985 governing the payment of the benefit for unemployment in its single payment method, with the limit of EUR 12,020, provided that the amounts received are intended for the purposes and in the cases provided for in that standard.

The limit set in the previous paragraph shall not apply in the case of unemployment benefits received by workers who are persons with disabilities who become self-employed persons, in the terms of the Article 31 of Law 50/1998 of 30 December 1998 on fiscal, administrative and social order measures.

The exemption provided for in the first subparagraph shall be conditional on the maintenance of the action or participation over the five-year period, in the event that the taxpayer has been integrated into labour companies or worker cooperatives, or the maintenance, during the same period of time, of the activity, in the case of the self-employed worker.

n) The lotteries and betting prizes organized by the business public entity Lotteries and Betting of the State and by the organs or entities of the Autonomous Communities, as well as of the draws organized by the Red Cross Spanish and the modalities of games authorized to the National Organization of the Spanish Blind.

o) The extraordinary rewards satisfied by the Spanish State for the participation in international peacekeeping or humanitarian missions, in the terms that they regulate.

p) The income from work received by work actually done abroad, with the following requirements:

1. No such works are carried out for a non-resident company or entity in Spain or a permanent establishment located abroad under the conditions that are regulated. In particular, where the institution receiving the work is linked to the employer's employer or to the entity in which it

provides its services, the conditions laid down in Article 16 (5) of the text shall be fulfilled. recast of the Companies Tax Act, approved by Royal Decree-Law 4/2004 of 5 March 2004.

2. º that in the territory in which the works are carried out, a tax of an identical or similar nature is applied to that of this tax and is not a country or territory considered as a tax haven. This requirement shall be deemed to be fulfilled if the country or territory in which the work is carried out has an agreement with Spain to avoid double international taxation which contains an exchange of information clause.

The exemption will apply to the remuneration accrued during the days of stay abroad, with the maximum limit of 60,100 euros per year. The procedure for calculating the free daily amount may be laid down.

This exemption will be incompatible, for taxpayers destined abroad, with the regime of excesses excluded from taxation provided for in the regulation of this tax, whatever their amount. The taxpayer may opt for the application of the excess scheme to replace this exemption.

q) The compensation paid by public authorities for personal injury as a result of the operation of public services, when they are established in accordance with the procedures provided for in the Royal Decree 429/1993 of 26 March, regulating the Rules of Procedure of the Public Administrations in matters of patrimonial liability.

r) Benefits received by burial or burial, with the limit of the total amount of expenses incurred.

s) The economic aid provided for in Article 2 of Law 14/2002 of 5 June.

(t) Those arising from the application of the hedging instruments when they cover exclusively the risk of the variable interest rate increase of the mortgage loans for the purchase of the usual home, regulated in the 19th article of Law 36/2003 of November 11, of measures of economic reform.

u) the compensation provided for in the legislation of the State and the Autonomous Communities to compensate for the deprivation of liberty in penitentiary establishments as a result of the cases referred to in Law 46/1977, from 15 October, from Amnesty.

v) The income to be disclosed at the time of the formation of insured lifetime income resulting from the individual plans of systematic savings referred to in the third provision of this Law.

w) Income from work derived from benefits obtained in the form of income by persons with disabilities corresponding to the contributions referred to in Article 53 of this Law, as well as income of the work derived from the contributions to protected assets referred to in the 18th additional provision of this Act, up to a maximum annual sum of three times the public multi-purpose income indicator.

x) The public economic benefits linked to the service, for care in the family environment and for personalized assistance that are derived from the Law to promote personal autonomy and care for the people in dependency.

and) dividends and participations in profits as referred to in paragraphs (a) and (b) of Article 25 (1) of this Law, subject to the limit of EUR 1,500 per year.

This exemption shall not apply to dividends and profits distributed by collective investment institutions, nor to those arising from securities or shares acquired within two months prior to the date on which the (a) those who were satisfied when, after that date, a transmission of homogeneous values occurs within the same period. In the case of securities or shares not admitted to trading in any of the official secondary markets defined in Directive 2004 /39/EC of the European Parliament and of the Council of 21 April 2004 on the markets of financial instruments, the time limit shall be one year.

CHAPTER II

Contributors

Article 8. Contributors.

1. They are taxpayers for this tax:

(a) Natural persons who have their habitual residence on Spanish territory.

(b) Natural persons who have their habitual residence abroad for one of the circumstances provided for in Article 10 of this Law.

2. Natural persons of Spanish nationality who credit their new tax residence in a country or territory regarded as a tax haven shall not be liable for this tax. This rule shall apply in the tax period where the change of residence is effected and during the four subsequent tax periods.

3. Civil societies shall not have the consideration of a taxpayer, whether or not they have legal personality, lying inheritances, communities of property and other entities referred to in Article 35.4 of Law 58/2003 of 17 December 2003. Tax. The income corresponding to the same shall be attributed to the members, heirs, communes or unit-holders, respectively, in accordance with the provisions of Section 2. of Title X of this Law.

Article 9. Taxpayers who have their habitual residence in Spanish territory.

1. The taxpayer shall be deemed to have his habitual residence on Spanish territory when any of the following circumstances apply:

a) That it remains more than 183 days, during the calendar year, in Spanish territory. In order to determine this period of stay in Spanish territory, sporadic absences will be computed, unless the taxpayer credits his tax residence in another country. In the case of countries or territories considered as a tax haven, the tax administration may require that the stay in the tax system be tested for 183 days in the calendar year.

In order to determine the length of stay referred to in the preceding paragraph, temporary stays in Spain shall not be computed as a result of obligations under cultural collaboration agreements or humanitarian, free of charge, with Spanish public administrations.

b) To radique in Spain the core core or the basis of its economic activities or interests, directly or indirectly.

It will be presumed, unless proof to the contrary, that the taxpayer has his habitual residence in Spanish territory when, according to the above criteria, the spouse not legally separated in Spain and the children under age who are dependent on the child.

2. Foreign nationals who have their habitual residence in Spain shall not be considered as taxpayers, in the event of reciprocity, where this is the result of any of the cases referred to in Article 10 (1) of the Treaty. This Law and the application of specific rules resulting from international treaties in which Spain is a party do not apply.

Article 10. Taxpayers who have their habitual residence in foreign territory.

1. For the purposes of this Law, persons of Spanish nationality, their non-legally separated spouse and minor children who have their habitual residence abroad, shall be considered as taxpayers because of their status as:

a) Members of Spanish diplomatic missions, comprising both the head of the mission and the members of the mission's diplomatic, administrative, technical or service personnel.

(b) Members of the Spanish consular offices, comprising both the head of the Spanish consular offices and the official or staff of the departments assigned to them, with the exception of the honorary viceconsules or consular agents and of the personnel dependent on them.

(c) Holder of official position or employment of the Spanish State as members of the delegations and permanent representations accredited to international bodies or which are part of delegations or missions of observers in the foreign.

(d) Active officials engaged in foreign employment or official employment not having a diplomatic or consular status.

2. The provisions of this Article shall not apply:

(a) Where persons referred to are not public servants in assets or holders of official employment or employment and have their habitual residence abroad prior to the acquisition of any of the conditions listed on that.

(b) In the case of spouses not legally separated or minor children, when they have their habitual residence abroad prior to the acquisition by the spouse, father or mother, of the listed conditions in paragraph 1 of this Article.

Article 11. Individualisation of income.

1. Income shall be understood to be obtained by the taxpayer according to the origin or source of the income, whatever, if any, the economic regime of the marriage.

2. The performance of the work shall be attributed exclusively to the person who has generated the right to his/her perception.

However, the benefits referred to in Article 17.2 (a) of this Law shall be attributed to the natural persons in whose favour they are recognized.

3. The income of the capital shall be attributed to the taxpayers who, as provided for in Article 7 of Law 19/1991 of 6 June of the Tax on Heritage, are holders of the assets, property or rights, that they come from such returns.

4. Income from economic activities shall be considered to be obtained by those who perform in a regular, personal and direct manner the own-account management of the means of production and human resources affected by the activities.

It shall be presumed, unless otherwise proved, that those requirements are met by those who are listed as holders of economic activities.

5. Property gains and losses shall be deemed to have been obtained by taxpayers who, as provided for in Article 7 of Law 19/1991 of 6 June of the Tax on Heritage, are the holders of the assets, rights and other elements the heritage that they come from.

Non-justified property gains shall be attributed to the ownership of the goods or rights in which they manifest.

The acquisitions of goods and rights that do not result from prior transmission, such as profits in the game, will be considered to be the property gains of the person to whom the right to obtain them corresponds or that livestock directly.

CHAPTER III

Tax period, tax accrual and temporary imputation

Article 12. Rule of thumb.

1. The tax period will be the calendar year.

2. The tax shall be payable on 31 December of each year, without prejudice to the provisions of the following Article.

Article 13. Lower tax period per calendar year.

1. The tax period shall be lower than the calendar year when the death of the taxpayer occurs on a day other than 31 December.

2. In such cases the tax period shall end and the tax shall be due on the date of death.

Article 14. Temporary imputation.

1. Rule of thumb.

The income and expenses that determine the income to be included in the tax base will be charged to the corresponding tax period, according to the following criteria:

(a) The income from work and capital shall be charged to the tax period in which they are payable by the recipient.

(b) The income from economic activities shall be charged in accordance with the provisions of the corporate tax rules, without prejudice to the specialties which may be established.

(c) The property gains and losses shall be attributed to the tax period in which the property alteration takes place.

2. Special rules.

(a) Where all or part of an income has not been satisfied, because the determination of the right to its perception or its amount is to be found pending a judicial decision, the unsatisfied amounts shall be charged to the period the tax on the firm's firm.

(b) Where for justified circumstances not attributable to the taxpayer, the income derived from the work is collected in tax periods other than those in which they were payable, they shall be charged, in practice, in their case, supplementary self-settlement, without penalty or interest

for late payment or surcharge. Where the circumstances provided for in subparagraph (a) above are met, returns shall be deemed to be payable in the tax period in which the judgment is final.

The reverse charge shall be filed within the average time between the date on which the tax is collected and the end of the immediate next term of the tax.

(c) The unemployment benefit received in the form of a single payment in accordance with the provisions of the labour law may be charged in each of the tax periods in which, if the single payment was not the right to benefit. Such an allocation shall be made in proportion to the time that in each tax period the benefit of the single payment had not been paid.

(d) In the case of time-bound or deferred-price transactions, the taxpayer may choose to impute proportionally the income obtained in such transactions, as the corresponding charges are made payable. Transactions shall be deemed to be in instalments or at a deferred price, the price of which is collected, in whole or in part, by successive payments, provided that the period between the delivery or the making available and the expiry of the last period is higher than the year.

When the payment of an operation in instalments or with deferred price has been implemented, in whole or in part, by the issuance of currency effects and these are transmitted in firm before maturity, the income shall be charged the tax period of its transmission.

In no case will they have this treatment, for the transmission, the operations derived from contracts of lifetime or temporary income. When goods and rights are transmitted in exchange for a lifetime or temporary income, the income or loss of property for the rentier shall be charged to the tax period in which the income is constituted.

e) Any positive or negative differences occurring in the accounts of foreign currency or foreign currency balances, as a result of the change in their contributions, shall be charged at the time of the respective payment or payment.

(f) The estimated income referred to in Article 6.5 of this Law shall be charged to the tax period in which they are produced.

(g) Public aid received as compensation for structural defects in the construction of the usual dwelling and intended for repair may be imputed by fourths in the tax period in which they are obtained and in the following three.

(h) It shall be charged as the return on equity referred to in Article 25.3 of this Act, of each tax period, the difference between the liquidative value of the assets affected by the policy at the end and at the beginning of the the tax period for those life insurance contracts in which the policyholder assumes the risk of the investment. The imputed amount shall result in the performance of the performance derived from the perception of quantities in these contracts.

This special temporary imputation rule will not result in contracts where one of the following circumstances is present:

A) The holder is not granted the power to modify the investments affected to the policy.

B) The mathematical provisions are invested in:

(a) Shares or units of collective investment institutions, predetermined in the contracts, provided that they are collective investment institutions adapted to Law 35/2003, of 4 November, of institutions of collective investment, or covered by Council Directive 85 /611/EEC of 20 December 1985.

(b) Asset sets reflected separately in the balance sheet of the insurance undertaking, provided that the following requirements are met:

The determination of the individual assets of each of the separate sets of separate assets must at all times correspond to the insurer who, for these purposes, will enjoy full freedom to choose the assets. assets subject only to default general criteria relating to the risk profile of the asset pool or to other objective circumstances.

The investment of the provisions shall be made in the assets eligible for the investment of the technical provisions, as set out in Article 50 of the Regulation on the management and supervision of private insurance, approved by the Royal Decree 2486/1998 of 20 November, with the exception of real estate and real estate rights.

The investments of each asset pool shall comply with the diversification and dispersion limits established, in general, for insurance contracts by the recast of the Law on the Management and Supervision of the private insurance approved by Royal Decree-Law 6/2004 of 5 March, its Regulation, approved by Royal Decree 2486/1998 of 20 November, and other rules which are in the development of that Regulation.

However, it is understood that these requirements are met by those sets of assets which seek to develop an investment policy characterised by the reproduction of a given stock index or fixed income index some of the official secondary markets for securities of the European Union.

The taker will only have the power to choose, between the different sets of assets, in which the insurance institution must invest the mathematical provision of the insurance, but in no case can he intervene in the determination of the individual assets in which, within each separate set, such provisions are invested.

In these contracts, the policyholder or policyholder may choose, in accordance with the specifications of the policy, between the different collective investment institutions or separate sets of assets, expressly designated in the contracts, without any particular specifications being produced for each taker or policyholder.

The conditions referred to in this paragraph (h) shall be met for the duration of the contract.

(i) Aid included in the field of State plans for first time access to property, received by taxpayers through a single payment in the form of State Direct Aid to Entry (AEDE), may be imputed by fourths in the tax period in which they are obtained and in the following three.

(j) Public aid granted by the competent authorities to the holders of Spanish Historical Heritage members entered in the General Register of Goods of Cultural Interest referred to in the Law 16/1985, of 25 June, of the Spanish Historical Heritage, and intended exclusively for their conservation or rehabilitation, may be imputed by fourths in the tax period in which they are obtained and in the following three, provided that the requirements laid down in that law, in particular with regard to the duties of visit and exposure public of such goods.

3. If the taxpayer loses his/her status by way of residence, all the outstanding amounts receivable must be incorporated into the tax base corresponding to the last tax period to be declared by this tax, in the conditions to be laid down in regulation, where appropriate, further self-validation, without any penalty or interest for late payment or surcharge.

4. In the case of the death of the taxpayer, all outstanding charges shall be incorporated into the tax base of the last tax period to be declared.

TITLE II

Determination of the income under charge

Article 15. Determination of the taxable and liquidable basis.

1. The taxable amount of the tax shall be the amount of the taxpayer's income and shall be determined by applying the methods provided for in Article 16 of this Law.

2. For the quantification of the tax base, the following order shall be made in the terms provided for in this Law:

1. The rents shall be qualified and quantified according to their origin. Net yields will be earned by difference between computable income and deductible expenses. Capital gains and losses shall be determined, in general, by difference between the transmission and the acquisition values.

2. The reductions in full or net performance that, if any, correspond to each of the sources of income shall apply.

3. The integration and compensation of the different income according to their origin and their classification as general income or savings will be carried out.

The outcome of these operations will result in the overall tax base and savings.

3. The liquidable basis will be the result of practicing in the tax base, in the terms provided for in this Law, the reductions for attention to situations of dependency and aging and compensatory pensions, which will give rise to the bases general liquidables and savings.

4. No income shall be taxed which does not exceed the amount corresponding to the minimum personal and family income.

TITLE III

Determining the taxable base

CHAPTER I

Determination methods

Article 16. Methods of determining the tax base.

1. The amount of the various components of the tax base shall be determined in general by the method of direct estimation.

2. The determination of the income from economic activities shall be carried out in accordance with the terms set out in Article 28 of this Law through the following methods:

a) Direct estimate, which will be applied as a general method, and which will support two modes, the normal and the simplified.

(b) An objective estimate of income for certain economic activities, in terms that are regulated by regulation.

3. The method of indirect estimation shall be applied in accordance with the provisions of Law 58/2003 of 17 December, General Tax.

In the indirect estimation of income from economic activities, account shall be taken, preferably, of the signs, indices or modules established for the objective estimate, in the case of taxpayers who have waived the latter method of determining the tax base.

CHAPTER II

Definition and determination of taxable income

Section 1. Work Res

Article 17. Full performance of the work.

1. Full income from work shall be considered as any consideration or profit, whatever its name or nature, in cash or in kind, resulting directly or indirectly from the personal work or the employment relationship or statutory and do not have the character of income from economic activities.

They will be included, in particular:

a) Wages and salaries.

b) Unemployment benefits.

c) Remuneration for representation expenses.

(d) Diets and allowances for travel expenses, other than those of locomotion and normal maintenance and subsistence in hotel establishments with the limits to which they are regulated.

e) The contributions or contributions paid by the promoters of pension plans provided for in the recast of the Law on the regulation of pension plans and funds, approved by the Royal Legislative Decree 1/2002, 29 November, or by the sponsoring undertakings provided for in Directive 2003 /41/EC of the European Parliament and of the Council of 3 June 2003 on the activities and supervision of occupational pension funds.

(f) The contributions or contributions paid by the employers to meet the pension commitments in the terms provided for by the first provision of the recast text of the Law on the pension schemes and funds, and in their development rules, where those are charged to persons to whom the benefits are linked. This tax allocation will be voluntary in the collective insurance contracts other than the business social security plans, the decision being taken on the other premiums to be satisfied until the end of the year. termination of the insurance contract. However, the tax allocation shall be compulsory in the case of risk insurance contracts. In no case shall the tax charge be compulsory in respect of insurance contracts in which the retirement and death or incapacity contingencies are jointly covered.

2. In any case, they will have the consideration of income from work:

a) The following capabilities:

1. Pensions and liabilities received from public social security schemes and passive classes and other public benefits for situations of incapacity, retirement, accident, disease, widower, or the like, without prejudice to the provisions of Article 7 of this Law.

2. The benefits received by the beneficiaries of compulsory general mutual funds of officials, orphan schools and other similar entities.

3. The benefits received by the beneficiaries of pension schemes and those received from pension schemes covered by Directive 2003 /41/EC of the European Parliament and of the Council of 3 June 2003 on the activities and the supervision of occupational pension funds.

4. The benefits received by the beneficiaries of insurance contracts concluded with social security mutual societies, the contributions of which may have been, at least in part, deductible for the determination of the net performance of economic activities, or reduction in the tax base.

In the case of retirement and invalidity benefits arising from such contracts, they shall be integrated into the tax base in the amount of the amount received in excess of contributions which have not been eligible for payment. reduction or reduction in the taxable amount of the tax, for failing to meet the subjective requirements laid down in paragraph 2 (a) of Article 51 or in the ninth provision of this Law.

5. The benefits received by the beneficiaries of the business social security plans.

Also, the retirement and invalidity benefits received by the beneficiaries of collective insurance contracts, other than the business social security plans, which implement the pension commitments assumed by undertakings, in the terms provided for in the first provision of the recast text of the Law on the Regulation of Pension Plans and Funds, and in their development rules, to the extent that their amount exceeds the contributions tax and the contributions directly incurred by the employee.

6. The benefits received by the beneficiaries of the insured forecast plans.

7. The benefits received by the beneficiaries of dependency insurance as provided for in the Law on the promotion of personal autonomy and care for people in a situation of dependency.

(b) The amounts paid, on the basis of their duties, to the Spanish Members of the European Parliament, the Members and senators of the General Courts, the members of the autonomous legislative assemblies, the members of the Council and other local authorities, with the exception, in any case, of the part of those institutions assigned to travel and travel expenses.

c) Yields derived from teaching courses, lectures, colloquia, seminars and the like.

(d) Yields derived from the production of literary, artistic or scientific works, provided that the right to their exploitation is given.

e) The remuneration of the administrators and members of the Boards of Directors, of the Boards who do their times and other members of other representative bodies.

(f) Compensatory pensions received from the spouse and annuities for food, without prejudice to the provisions of Article 7 of this Law.

g) The special rights of economic content reserved by the founders or promoters of a company as remuneration for personal services.

h) Grants, without prejudice to the provisions of Article 7 of this Law.

i) Remuneration received by those who collaborate in humanitarian or social assistance activities promoted by non-profit entities.

(j) Remuneration arising from special employment relationships.

k) Contributions made to the protected heritage of persons with disabilities in the terms provided for in the 18th additional provision of this Law.

3. However, where the returns referred to in paragraphs (c) and (d) of the preceding paragraph and the derivatives of the special employment relationship of the artists in public performances and the special employment relationship of the persons involved in commercial transactions on behalf of one or more employers without taking the risk and the sale of those undertakings which involve the own-account management of the means of production and human resources or of one of the two, in order to intervene in the production or distribution of goods or services shall be classified as income from economic activities.

Article 18. Reduction percentages applicable to certain income from work.

1. As a general rule, full income shall be taken into account in full, unless any of the reduction rates referred to in the following paragraphs apply to them. Such percentages shall not apply where the benefit is received in the form of income.

2. 40% reduction in the case of full income other than those provided for in Article 17.2 (a) of this Law which have a period of generation exceeding two years and which are not obtained on a regular or recurring basis, as well as those that qualify as regulated as obtained in a notoriously irregular manner over time.

The computation of the generation period, in the event that these yields are charged in a fractionated manner, must take into account the number of years of fractionation, in the terms that are regulated.

In the event that yields derive from the exercise of buying options on shares or units by employees, the amount of the yield on which the 40 percent reduction will be applied will not be able to exceed the amount resulting from multiplying the average annual salary of the set of the declarants in the Income Tax of the Physical Persons by the number of years of performance generation. For these purposes, in the case of yields obtained in a notoriously irregular manner over time, five years shall be taken.

However, such a limit shall be doubled for yields resulting from the exercise of buying options on shares or units by workers who meet the following requirements:

1. The acquired shares/units shall be maintained for at least three years from the exercise of the option to purchase.

2. The offer of purchase options must be made on the same terms to all workers in the company, group or sub-groups of companies.

The amount of the annual average salary will be set, taking into account the tax statistics on the whole of the taxpayers in the previous three years.

3. 40% reduction in the case of benefits provided for in Article 17.2.a). 1st and 2nd of this Law to be collected in the form of capital, provided that more than two years have elapsed since the first contribution.

The two-year period will not be enforceable in the case of invalidity benefits.

4. The reductions provided for in this Article shall not apply to imputed business contributions that reduce the tax base, in accordance with Articles 51, 53 and the 11th additional provision of this Act.

Article 19. Net work performance.

1. The net performance of the work will be the result of decreasing the full performance in the amount of deductible expenses.

2. They shall have the following exclusively deductible expenses:

(a) Social Security contributions or compulsory general mutual funds of officials.

(b) Liabilities to liabilities.

c) Quotations to orphan colleges or similar entities.

(d) The fees paid to trade unions and professional associations, where the membership is compulsory, in the party corresponding to the essential purposes of these institutions, and with the limit which it regulates set.

e) Legal defence expenses arising directly from disputes arising from the taxpayer's relationship with the person from whom the income is perceived, subject to the limit of EUR 300 per year.

Article 20. Reduction in job performance.

1. Net work performance will be reduced in the following amounts:

(a) Taxpayers with net income from work equal to or less than € 9,000: € 4,000 per year.

(b) Taxpayers with net income from work of between 9,000.01 and 13,000 euros: EUR 4,000 minus the result of multiplying by 0.35 the difference between the performance of the work and 9,000 euros per year.

(c) Taxpayers with net income from work exceeding EUR 13,000 or with income excluding those exempted, other than those of work exceeding EUR 6,500: EUR 2,600 per year.

2. The amount of the reduction provided for in paragraph 1 of this Article shall be increased by 100% in the following cases:

(a) Active workers over the age of 65 years who continue or extend the work activity, under the conditions that are regulated.

(b) Unemployed persons registered in the employment office who accept a job which requires the transfer of their habitual residence to a new municipality, under the conditions which they shall determine. This increase will be applied in the tax period in which the change of residence occurs and the next.

3. In addition, people with disabilities who obtain income from work as active workers will be able to reduce the net work performance by 3,200 euros per year.

This reduction will be EUR 7,100 per year, for persons with disabilities who are active workers who are accredited to require the help of third persons or reduced mobility, or a disability level equal to or greater than 65 per cent. percent.

4. As a consequence of the application of the reductions provided for in this Article, the resulting balance shall not be negative.

Section 2. th Capital flows

Article 21. Definition of capital returns.

1. They shall be considered to be full of capital returns in all profits or in consideration, whatever their denomination or nature, in cash or in kind, that come, directly or indirectly, from elements property, property or rights, the ownership of which is the responsibility of the taxpayer and is not affected by economic activities carried out by the taxpayer.

However, the income derived from the transfer of ownership of the assets, even if there is a reserve of domain agreement, will be taxed as profits or property losses, except that by this law qualify as capital returns.

2. In any case, they shall be included as capital returns:

(a) Those coming from real estate, both rustic and urban, that are not affected by economic activities carried out by the taxpayer.

(b) Those that come from the capital and, in general, from the other assets or rights held by the taxpayer, who are not affected by economic activities carried out by the taxpayer.

Subsection 1. Th Real Estate Capital Yields

Article 22. Full income from real estate capital.

1. They shall be regarded as full income from the ownership of rural and urban real estate or real rights falling upon them, all arising from the lease or the establishment or transfer of rights or faculties of use or enjoyment over those, whatever their denomination or nature.

2. It shall be computed as full performance of the amount that the acquirer, transferee, lessee or subtenant must satisfy, including, where appropriate, the amount corresponding to all the assets transferred with the building and excluding the Value added tax or, where applicable, the General Indirect Canarian Tax.

Article 23. Deductible expenses and reductions.

1. For the determination of net yield, the following expenses shall be deducted from the total income:

(a) All the necessary expenses for obtaining the income. The following shall be considered as necessary expenditure for the attainment of yields:

1. The interests of the foreign capital invested in the acquisition or improvement of the good, right or right of use and enjoyment of the income, and other financing expenses, as well as the costs of repair and preservation of the building. The total amount to be deducted for these expenses may not exceed, for each good or entitlement, the amount of the total income obtained. The excess may be deducted in the following four years according to this number 1. º

2. No State taxes and surcharges, as well as state fees and surcharges, whatever their denomination, as long as they have an impact on the calculated yields or on the good or the producer's right and do not have sanctioning character.

3. º The balances of doubtful collection under the conditions that are established regulatively.

4. º The amounts accrued by third parties as a result of personal services.

(b) The amounts intended for the depreciation of the property and other assets transferred with it, provided that they are in accordance with their actual depreciation, under the conditions which are determined. In the case of real estate, it is understood that the amortisation meets the effectiveness requirement if it does not exceed the result of applying 3 percent on the greater of the following values: the cost of acquisition satisfied or the cadastral value, without include the value of the soil.

In the case of yields derived from the ownership of a right or right of use or enjoyment, it shall be equally deductible as a depreciation, with the limit of the full income, the proportional share of the value (a) to be satisfied, under the conditions to be determined.

2. 1. In the case of leasing of immovable property for housing, the net yield calculated in accordance with the provisions of the preceding paragraph shall be reduced by 50%. In the case of positive net yields, the reduction shall only be applicable in respect of the returns declared by the taxpayer.

2. This reduction shall be 100%, where the lessee is between 18 and 35 years of age and net income from work or economic activities in the tax period exceeding the indicator multiple effects income public.

The lessee shall report annually to the lessor, in the manner that is regulated, compliance with these requirements.

Where multiple tenants of the same housing exist, this reduction shall apply to the portion of the net performance that is proportionally corresponding to the tenants who meet the requirements of this number

.

3. Net yields with a generation period of more than two years, as well as those that are regulated as well-regulated as obtained in a notoriously irregular manner over time, will be reduced by 40 percent.

The computation of the generation period, in the event that these yields are charged in a fractionated manner, must take into account the number of years of fractionation, in the terms that are regulated.

Article 24. Performance in case of kinship.

Where the acquirer, transferee, lessee or subtenant of the immovable property or the actual right to the property is the spouse or a relative, including the like, up to and including the third degree, of the taxpayer, the Total net yield may not be less than that resulting from the rules of Article 85 of this Law.

Subsection 2. Th Capital Returns

Article 25. Full income of the capital.

They will have the consideration of full capital returns as follows:

1. Income derived from participation in own funds of any kind of entity.

The following yields, in cash or in kind, are included within this category:

(a) dividends, bonuses for joint assistance and interest in the profits of any type of entity.

(b) Yields from any asset class, except for the delivery of free shares which, by virtue of the statutory or decision of the social bodies, have the power to participate in profits, sales, transactions, Income or similar concepts of an entity for reasons other than the remuneration of the personal work.

(c) Yields arising out of the constitution or assignment of rights or powers of use or enjoyment, whatever their name or nature, on the securities or units representing participation in the entity's own funds.

d) Any other utility, other than previous ones, derived from an entity by the condition of partner, shareholder, associate or participant.

e) The distribution of the premium for shares/units. The amount obtained shall, until its cancellation, be the value of the acquisition of the shares or units concerned and the excess which may be taxed as a return on capital.

2. Income from the transfer to third parties of own capital.

They have this consideration for consideration of any kind, whatever their denomination or nature, money or in kind, such as interest and any other form of remuneration agreed upon as remuneration for such disposal, as well as those arising from the transmission, redemption, redemption, exchange or conversion of any class of assets representative of the collection and use of foreign capital.

a) In particular, they will have this consideration:

1. º The returns from any turning instrument, including those arising from commercial transactions, from the time that it is made or transmitted, unless the endorsement or transfer is made as a payment of a credit suppliers or suppliers.

2. º The consideration, whatever its denomination or nature, derived from accounts in all financial institutions, including those based on operations on financial assets.

3. º The income derived from operations of temporary disposal of financial assets with repurchase agreement.

4. º The income paid by a financial institution, as a consequence of the transfer, transfer or transfer, in whole or in part, of a credit held by that entity.

(b) In the case of transmission, redemption, redemption, exchange or conversion of securities, the difference between the value of transmission, redemption, amortisation, exchange or conversion of the securities and their value shall be calculated as yield acquisition or subscription.

The exchange or conversion value will be taken for the values that are received.

Ancillary acquisition and disposal expenses shall be computed for the quantification of performance, as long as they are adequately justified.

Negative returns derived from transfers of financial assets, where the taxpayer has acquired homogeneous financial assets within two months prior to or after such transmissions, integrate as the financial assets that remain in the taxpayer's equity are transmitted.

3. Income from capitalisation operations, life insurance or invalidity contracts and income from capital taxation.

(a) Dinerary or in-kind transactions arising from capitalisation transactions and life or invalidity insurance contracts, except where, as provided for in Article 17 (2) (a) of this Law, they are to be taxed as returns from the job.

In particular, the following rules apply to these capital returns:

1.) When a deferred capital is collected, the return on capital shall be determined by the difference between the capital received and the amount of premiums paid.

2. (º) In the case of immediate lifetime income, which has not been acquired by inheritance, legacy or any other successor title, the result of applying to each annuity shall be considered as capital performance. Following percentages:

40 percent, when the recipient is less than 40 years old.

35 percent, when the recipient is between 40 and 49 years old.

28 percent, when the recipient is between 50 and 59 years old.

24 percent, when the recipient is between 60 and 65 years old.

20 percent, when the recipient is over 66 and 69 years old.

8 percent, when the recipient is over 70 years old.

These percentages will be those corresponding to the age of the rentier at the time of the constitution of the rent and will remain constant throughout its lifetime.

3. (º) If these are immediate temporary rents, which have not been acquired by inheritance, legacy or any other successor title, the performance of the capital shall be considered as the result of applying to each annuity the Following percentages:

12 percent, when the income is less than or equal to 5 years.

16 percent, when the income is longer than 5 and less than or equal to 10 years.

20 percent, when the income is longer than 10 and less than or equal to 15 years.

25 percent, when the income is longer than 15 years.

4. (º) Where deferred income, lifetime or temporary income, which has not been acquired by inheritance, legacy or any other successor title, is considered to be the performance of the capital furniture the result of applying to each annuity the percentage corresponding to those provided for in the numbers 2. º and 3.) above, increased in the profitability obtained until the constitution of the income, in the form that it is regulated. Where the income has been acquired by donation or by any other legal business free of charge and inter vii, the performance of the capital shall be, exclusively, the result of applying to each annuity the corresponding percentage of those provided for in the previous numbers 2 and 3).

By way of derogation from the preceding paragraph, in the terms which are regulated, the retirement and invalidity benefits received in the form of income by the beneficiaries of life insurance contracts or invalidity, other than those laid down in Article 17.2. (a) and in which there has been no mobilisation of the provisions of the insurance contract during its term, shall be incorporated in the tax base, in respect of returns on capital, from the time when the provision of the contract of insurance the amount exceeds the premiums that have been satisfied under the contract or, in the case where the income has been acquired by donation or any other legal business, free of charge and inter vivos, when they exceed the current actuarial value of the income at the time of the formation of these. In such cases, the percentages provided for in the previous numbers 2 and 3 shall not apply. For the purposes of applying this scheme, it is necessary for the insurance contract to be concluded at least two years before the date of retirement.

5. º) In the event of the extinction of temporary or life-income, which has not been acquired by inheritance, legacy or any other successor title, when the extinction of the income has its origin in the exercise of the right of rescue, the return on capital shall be the result of adding to the amount of the ransom the income paid up to that moment and of subtracting the premiums paid and the amounts which, in accordance with the preceding paragraphs of this paragraph, have been taxed as capital returns. Where the income has been acquired by donation or any other legal business free of charge and inter vivos, the accumulated return shall be reduced, in addition, to the lodging of the income.

6. (°) Life or invalidity insurance providing for capital and capital provision is intended for the provision of temporary or temporary income, provided that this possibility of conversion is included in the contract of insurance, shall be taxed in accordance with the provisions of the first subparagraph of the previous No 4. In any event, the provisions of this number shall apply where the capital is made available to the taxpayer by any means.

(b) For life income or other temporary income for the purposes of the taxation of capital, except where it has been acquired by inheritance, legacy or any other successor title. The performance of the capital shall be deemed to be the result of applying to each annuity the percentages provided for in points (2) and (3) (a) of this paragraph for income, for life or for temporary purposes, immediately resulting from contracts of life insurance.

4. Other income from capital furniture.

This paragraph includes, inter alia, the following yields, cash or in kind:

(a) Those arising from intellectual property when the taxpayer is not the author and those from the industrial property that is not found to be affected by the taxpayer's economic activities.

(b) Those arising from the provision of technical assistance, unless such provision takes place in the field of economic activity.

(c) Those from the lease of movable property, business or mines, as well as those from the sub-lease received by the sub-landlord, which do not constitute economic activities.

(d) Those arising from the transfer of the right to the exploitation of the image or the consent or authorisation for use, unless such assignment takes place in the field of economic activity.

5. It shall not have the consideration of return on capital, without prejudice to its taxation for the relevant concept, the consideration obtained by the taxpayer for the deferral or fractionation of the price of the transactions carried out in the course of their usual economic activity.

6. It shall be estimated that there is no return on equity in the gainful transmissions, because of the death of the taxpayer, of the assets representative of the collection and use of foreign capital referred to in paragraph 2 of this Article. this article.

Article 26. Deductible expenses and reductions.

1. For the determination of the net yield, the following expenses shall be deducted from the total income:

(a) The expense of administration and deposit of marketable securities. For these purposes, the amounts which are passed on by investment firms, credit institutions or other financial institutions which, in accordance with the Law 24/1988 of 28 July 1988, are to be regarded as administrative expenses and deposits shall be considered as administrative expenses. Securities market, the purpose of which is to give back the benefit derived from the realization of the securities of the securities depository service represented in the form of securities or the administration of securities represented in the securities account.

The amounts of the consideration of a discretionary and individual management of investment portfolios shall not be deductible, where a provision of the investments made on behalf of the holders is made according to the commands conferred by them.

(b) In the case of income derived from the provision of technical assistance, the lease of movable property, business or mine or sub-leases, the costs necessary for the provision of such income shall be deducted from the income obtaining and, where appropriate, the amount of the deterioration suffered by the goods or the rights to which the proceeds come.

2. The net income provided for in Article 25 (4) of this Law with a period of up to two years or which are regulated as being legally obtained in a manner which is notoriously irregular over time, shall be reduced by 40%. percent.

The computation of the generation period, in the event that these yields are charged in a fractionated manner, must take into account the number of years of fractionation, in the terms that are regulated.

Section 3. Economic activity events

Article 27. Full income from economic activities.

1. It shall be considered to be full income from economic activities which, by way of personal and capital work together, or of one of these factors, involve the taxpayer in the own-account management of production and human resources or one of both, in order to intervene in the production or distribution of goods or services.

In particular, they have this regard for the performance of extractive, manufacturing, trade or service delivery activities, including crafts, agricultural, forestry, livestock, fishing, construction, mining, and the exercise of liberal, artistic and sporting professions.

2. For the purposes of the preceding paragraph, the lease of immovable property shall be understood as economic activity, only where the following circumstances are present:

(a) That in the development of the activity, at least one local is counted towards the sole purpose of carrying out the management of the activity.

(b) That for the ordination of that one, at least one person employed with a labor contract and a full day is used.

Article 28. General rules for calculating net performance.

1. The net performance of economic activities shall be determined in accordance with the rules of the Company Tax, without prejudice to the special rules contained in this Article, in Article 30 of this Law for direct estimation, and in the Article 31 of this Law for objective estimation.

For the purposes of Article 108 of the recast of the Companies Tax Act, the net amount of the business figure shall be taken into account for the whole of the economic activities carried out by the taxpayer.

2. For the purposes of determining the net performance of economic activities, the assets or losses arising from the assets assigned to them shall not be included, which shall be quantified in accordance with the provisions of Section 4. of this chapter.

3. The affectation of assets or the disaffection of assets fixed by the taxpayer shall not constitute a property alteration, provided that the assets or rights continue to be part of their assets.

It is understood that there has been no impact if the disposal of the goods or rights is carried out within three years from the date of the transfer.

4. The normal value on the market of the goods or services covered by the activity shall be treated, which the taxpayer shall give to third parties free of charge or for use or consumption.

In addition, when consideration is given to consideration and is significantly lower than the normal value in the market for goods and services, the latter shall be treated.

Article 29. Property assets affected.

1. Economic activity shall be considered as property assets:

a) The real estate in which the activity of the taxpayer is developed.

(b) Goods for the economic and sociocultural services of the staff at the service of the activity. The goods for recreation and recreation or, in general, for the particular use of the holder of the economic activity are not considered to be affected.

c) Any other assets that are necessary to obtain the respective returns. In no case shall the assets representative of the equity participation of an entity and the transfer of capital to third parties be considered.

2. In the case of property assets which serve only partially for the purpose of economic activity, the affectation shall be deemed to be limited to that part of the economic activity which is actually used in the activity in question. In no case shall they be subject to partial affectation of indivisible assets.

The conditions under which, notwithstanding their use for private needs in an ancillary and notoriously irrelevant manner, certain heritage elements may be considered to be affected by a economic activity.

3. The consideration of property assets shall be independent of the fact that the ownership of such elements, in the case of marriage, is common to both spouses.

Article 30. Rules for the determination of net performance in direct estimation.

1. The determination of the performance of economic activities shall be carried out, in general, by the method of direct estimation, with two modalities, the normal and the simplified.

The simplified mode will be applied for certain economic activities whose net amount of turnover, for the set of activities developed by the taxpayer, does not exceed EUR 600,000 in the immediate year (a) unless it renounces its application, in the terms that are regulated in law.

In the waiver or exclusion assumptions of the simplified method of the direct estimation method, the taxpayer will determine the net performance of all its economic activities by the normal mode of this method during the following three years, under the conditions which they regulate shall be established.

2. In addition to the general rules of Article 28 of this Law, the following special rules will be taken into account:

1. The concepts referred to in Article 14.3 of the consolidated text of the Company Tax Law and the contributions to the social security funds of the employer shall not be considered as deductible expenditure. or professional, without prejudice to the provisions of Article 51 of this Law.

However, the amounts paid under insurance contracts, agreed with social security mutual funds by professionals not integrated into the special security scheme, shall be considered as deductible expenditure. Social of self-employed or self-employed persons, where, for the purpose of fulfilling the obligation laid down in the additional provision of Law No 30/1995 of 8 November 1995, for the management and supervision of private insurance, act as alternatives to the special social security scheme mentioned above, in the which is intended to cover contingencies covered by social security, subject to the limit of EUR 4,500 per year.

2. When duly accredited, with the appropriate employment contract and the affiliation to the corresponding Social Security scheme, the spouse or minor children of the taxpayer who live with him/her normally and with continuity in the economic activities carried out by it, shall be deducted, for the purposes of determining the income, the remuneration stipulated with each of them, provided that they are not higher than those of the market corresponding to their

professional qualifications and work. Such amounts shall be deemed to have been obtained by the spouse or minor children in respect of income from work for all tax purposes.

3. When the spouse or minor children of the taxpayer who are living with him or her are transferred to the economic activity in question, it shall be deducted for the purposes of determining the income of the holder of the activity, the consideration stipulated, provided that it does not exceed the market value and, in the absence of the market value, the latter may be deducted. Consideration or market value shall be considered as income from the capital of the spouse or children under all tax purposes.

The provisions of this rule will not apply in the case of goods and rights that are common to both spouses.

4. Reglamentarily special rules may be established for the quantification of certain deductible expenses in the case of entrepreneurs and professionals in simplified direct estimation, including difficult ones justification.

5. th They shall have the consideration of deductible expense for the determination of net yield in direct estimation, the sickness insurance premiums paid by the taxpayer in the part corresponding to their own coverage and to that of your spouse and children under 25 years of age who live with him. The maximum deduction limit shall be EUR 500 for each of the persons mentioned above.

Article 31. Rules for the determination of net performance in objective estimation.

1. The method of objective estimation of returns for certain economic activities shall be applied, in terms of the following rules, in accordance with the following rules:

1. Taxpayers Who meet the circumstances provided for in the regulatory rules of this method shall determine their returns under this method, unless they give up their application, in the terms that they regulate set.

2. The method of objective estimation shall be applied in conjunction with the special schemes established in the Value Added Tax or the Indirect General Tax Canarian, where this is determined by regulation.

3. This method may not be applied by taxpayers when any of the following circumstances are present, under conditions that are established in a regulated manner:

a) That determine the net performance of some economic activity by the direct estimation method.

b) That the volume of full yields in the preceding year exceeds any of the following amounts:

For all of its economic activities, 450,000 euros per year.

For all its agricultural and livestock activities, 300,000 euros per year.

For these purposes, only the transactions to be recorded in the Book of Sales or Revenue provided for in Article 67.7 of the Regulation of this Tax, or in the book of revenue provided for in the Article, shall be computed. 40.1 of the Value Added Tax Regulation, approved by Royal Decree 1624/1992 of 29 December 1992, and the operations by which they are obliged to issue and maintain invoices, in accordance with the provisions of the Regulation regulate the billing obligations, approved by Royal Decree 1496/2003 of 28 November.

However, not only the operations corresponding to the economic activities carried out by the taxpayer, but also those corresponding to those developed by the spouse, descendants and in the ascending line, as well as by entities on the basis of income allocation in which any of the above are involved, in which the following circumstances are met:

-That the economic activities developed are identical or similar. For these purposes, the economic activities classified in the same group in the Economic Activities Tax shall be understood to be identical or similar.

-That there is a common direction of such activities, sharing personal or material means.

When an activity has started in the previous year, the revenue volume will be raised per year.

(c) The volume of purchases in goods and services, excluding fixed assets, in the previous financial year exceeds the amount of EUR 300,000 per year. In the case of subcontracted works or services, the amount of works or services shall be taken into account for the calculation of this limit.

For these purposes, not only the volume of purchases corresponding to the economic activities developed by the taxpayer, but also those corresponding to those developed by the spouse, descendants and in the ascending line, as well as by entities on the basis of income allocation in which any of the above is involved, in which the circumstances referred to in point (b) above are met.

When an activity has started in the previous year, the volume of purchases will be raised per year.

d) That economic activities be developed, in whole or in part, outside the scope of the Tax referred to in Article 4 of this Law.

4. The scope of the objective estimation method shall be determined, inter alia, by the nature of the activities and crops, or by objective modules such as the volume of operations, the number of workers, the amount of the purchases, the area of the holdings or the fixed assets used, with the limits to be determined in accordance with the rules laid down for all the activities carried out by the taxpayer and, where appropriate, by the spouse, descendants and ascendants, as well as by entities on the basis of income allocation in which participate any of the above.

5. In the case of the waiver or exclusion of the objective estimate, the taxpayer shall determine the net performance of all its economic activities by the method of direct estimation over the following three years. conditions to be established.

2. The calculation of the net yield in the objective estimate shall be governed by the provisions of this Article and the provisions that develop it.

Regulatory provisions will conform to the following rules:

1. In the calculation of the net performance of economic activities in objective estimation, the signs, indices or general modules or referring to certain sectors of activity to be determined by the Minister for Economic Affairs and Hacienda, taking into account the investments made necessary for the development of the activity.

2. The application of the method of objective estimation may never give rise to the taxation of the property gains which, where appropriate, could be caused by the differences between the actual yields of the activity and the derivatives of the correct application of these methods.

Article 32. Reductions.

1. Net yields with a generation period of more than two years, as well as those that are regulated as well-regulated as obtained in a notoriously irregular manner over time, will be reduced by 40 percent.

The computation of the generation period, in the event that these yields are charged in a fractionated manner, must take into account the number of years of fractionation, in the terms that are regulated.

This reduction will not apply to those yields which, even if individually, could derive from performances developed over a period which met the above requirements, come from the exercise of an economic activity that regularly or regularly obtains this type of income.

2. 1. Where the requirements laid down in the number 2. of this paragraph are met, the net performance of economic activities shall be reduced by the following amounts:

(a) Contributors with net income of economic activities equal to or less than EUR 9,000: EUR 4 000 per year.

(b) Taxpayers with net income from economic activities of between 9,000.01 and 13,000 euro: EUR 4 000 minus the result of multiplying by 0,35 the difference between the net performance of economic activities and € 9,000 per year.

(c) Taxpayers with net income from economic activities exceeding EUR 13,000 or with income excluding those exempted, other than those for economic activities exceeding EUR 6,500: EUR 2,600 per year.

Additionally, persons with disabilities who obtain net income from the effective exercise of economic activities will be able to undermine the net yield of the same in 3,200 euros per year.

This reduction will be EUR 7,100 per year for persons with disabilities who are effectively engaged in an economic activity and credit for the need for assistance from third persons or reduced mobility, or a degree of disability equal to or more than 65 percent.

2. For the implementation of the reduction provided for in this paragraph, compliance with the requirements to be established shall be necessary, and in particular the following:

(a) The net performance of the economic activity shall be determined in accordance with the direct estimation method. However, if determined in accordance with the simplified method of the direct estimation method, the reduction shall be incompatible with the provisions of Rule 4 (4) of this Law.

(b) The whole of your supplies of goods or services must be carried out in a single person, physical or legal, not linked in the terms of Article 16 of the recast of the Companies Tax Act.

c) The set of deductible expenses for all of your economic activities cannot exceed 30 percent of your declared full income.

(d) All formal obligations and information, control and verification obligations that are determined to be determined shall be fulfilled during the tax period.

e) That they do not perceive job returns in the tax period.

f) That at least 70 percent of the income from the tax period is subject to withholding or income on account.

3. º As a result of the application of this reduction, the resulting balance cannot be negative.

Section 4. Earnings and Property Losses

Article 33. Concept.

1. Property gains and losses are changes in the value of the taxpayer's assets that are evidenced by any alteration in the composition of the taxpayer, except that by this Law they are qualified as income.

2. It will be estimated that there is no alteration in the composition of the heritage:

a) In the division assumptions of the common thing.

b) In the dissolution of the ganancial society or in the extinction of the matrimonial property regime of participation.

c) In the dissolution of communities of goods or in cases of separation of communes.

The assumptions referred to in this paragraph may in no case give rise to the updating of the values of the goods or rights received.

3. It will be estimated that there is no property gain or loss in the following assumptions:

a) In capital reductions. Where the reduction of capital, whatever its purpose, results in the depreciation of securities or units, the acquisition shall be deemed to be amortized first, and its acquisition value shall be distributed proportionally between the other homogeneous values remaining in the taxpayer's assets. Where the reduction of capital does not affect all the securities or holdings owned by the taxpayer, it shall be understood as referring to those acquired in the first place.

Where the reduction of capital is intended to return contributions, the amount of the capital reduction or the normal market value of the goods or rights received shall bear the value of the acquisition of the securities or shares/units affected, in accordance with the rules of the previous paragraph, until its cancellation. The excess that may result shall be integrated as the return on equity from the equity interest of any type of entity in the form envisaged for the distribution of the issue premium, unless such capital reduction proceeds from undistributed profits, in which case all the amounts received for this purpose shall be taxed in accordance with the provisions of Article 25.1 (a) of this Law. For these purposes, capital reductions, whatever their purpose, shall be deemed to affect, in the first place, the share of the share capital which does not come from undistributed profits until its cancellation.

b) On the occasion of lucrative transmissions for the death of the taxpayer.

(c) On the occasion of the lucrative transmissions of undertakings or interests referred to in Article 20 (6) of Law 29/1987 of 18 December 1987 on the Tax on Successions and Donations.

The assets that are affected by the taxpayer to the economic activity after its acquisition must have been affected uninterrupted for at least the five years prior to the date of the acquisition. transmission.

(d) In the extinction of the matrimonial property separation of goods, where by legal imposition or judicial decision adjudications are produced for reasons other than the compensatory pension between spouses.

The assumption referred to in this paragraph may not, in any case, give rise to updates on the values of the goods or rights awarded.

e) On the occasion of contributions to protected assets constituted in favour of persons with disabilities.

4. Property gains to be evidenced shall be exempt from the tax:

(a) On the occasion of donations to the entities referred to in Article 68.3 of this Law.

(b) On the occasion of the transmission of their habitual dwelling by over 65 years of age or by persons in a situation of severe dependence or heavy dependence in accordance with the Law on the promotion of personal autonomy and attention to the people in a dependency situation.

(c) On the occasion of the payment provided for in Article 97.3 of this Law and of the tax debts referred to in Article 73 of Law 16/1985 of 25 June of the Spanish Historical Heritage.

5. The following shall not be computed as property losses:

a) Unjustified.

b) Those due to consumption.

c) Due to lucrative transmissions by live acts or liberalities.

d) Due to losses in the game.

(e) Those arising from transfers of assets, where the transfer is repurchased within the year following the date of such transmission.

This property loss will be integrated when the subsequent transmission of the estate element occurs.

(f) Those arising from the transfer of securities or units admitted to trading in any of the official secondary markets defined in Directive 2004 /39/EC of the European Parliament and of the Council of 21 April 2004 on the markets for financial instruments, where the taxpayer would have acquired homogeneous values within two months of or after such transmissions.

(g) Those arising from the transfer of securities or holdings not admitted to trading in any of the official secondary markets defined in Directive 2004 /39/EC of the European Parliament and of the Council of 21 April 2004 on the markets for financial instruments, where the taxpayer would have acquired homogeneous values in the year before or after such transmissions.

In the cases provided for in paragraphs (f) and (g) above, the property losses shall be integrated as the securities or units that remain in the taxpayer's equity are transmitted.

Article 34. Amount of the property gains or losses. General rule.

1. The amount of property gains or losses shall be:

(a) In the case of onerous or lucrative transmission, the difference between the acquisition and transmission values of the assets.

(b) In the other cases, the market value of the assets or the proportional parts, where applicable.

2. If improvements have been made to the transmitted assets, the part of the disposal value corresponding to each component of the transfer shall be distinguished.

Article 35. Transmissions for onerous purposes.

1. The acquisition value shall consist of the sum of:

(a) The actual amount by which that acquisition would have been made.

(b) The cost of the investments and improvements made in the assets acquired and the expenses and taxes inherent in the acquisition, excluding interest, which would have been satisfied by the acquirer.

Under the conditions that are determined to be determined, this value shall be reduced by the amount of the write-downs.

2. The acquisition value referred to in the preceding paragraph shall be updated exclusively in the case of immovable property by applying the coefficients set out in the corresponding State General Budget Law. The coefficients will be applied as follows:

(a) The amounts referred to in paragraphs (a) and (b) of the previous paragraph, taking into account the year in which they were satisfied.

b) On redemptions, taking into account the year to which they correspond.

3. The transmission value shall be the actual amount by which the disposal was made. This value shall be deducted from the costs and taxes referred to in paragraph 1 (b) as soon as they are satisfied by the transmission.

The actual amount of the disposal value shall be effectively satisfied, provided that it is not lower than the normal market value, in which case it shall prevail.

Article 36. Transmissions for a lucrative title.

When the acquisition or the transfer would have been profitable, the rules of the previous article will apply, taking as a real amount of the respective values those that result from the application of the rules of the tax on Successions and Donations, without their being able to exceed the market value.

In the lucrative acquisitions, as referred to in paragraph 3 (c) of Article 33 of this Law, the donor shall be subrogated to the donor's position in respect of the securities and dates of acquisition of such assets.

Article 37. Specific valuation rules.

1. Where the alteration in the value of the equity proceeds:

(a) For the transmission of securities admitted to trading on any of the regulated markets for securities defined in Directive 2004 /39/EC of the European Parliament and of the Council of 21 April 2004 on securities to be traded on a regulated market markets in financial instruments, and representative of the equity participation of companies or entities, the gain or loss shall be computed by the difference between its acquisition value and the transmission value determined by its (a) listing on those markets on the date on which the price is produced or on the price agreed upon higher than the quote.

For the determination of the acquisition value the amount obtained by the transmission of the subscription rights shall be deducted.

By way of derogation from the preceding paragraph, if the amount obtained in the transmission of the subscription rights is greater than the value of the acquisition of the securities from which such rights are derived, the difference shall have the consideration of a wealth gain for the transferor in the tax period in which the transfer occurs.

In the case of partially released shares, their acquisition value will be the amount actually paid by the taxpayer. In the case of fully-released shares, the acquisition value of both the shares and the shares from which they come shall be the total cost of the number of securities, both the old and the released ones.

(b) For the transmission of securities not admitted to trading on any of the regulated markets for securities defined in Directive 2004 /39/EC of the European Parliament and of the Council of 21 April 2004 on securities not admitted to trading markets for financial instruments, and representative of the equity participation of companies or entities, the gain or loss shall be computed by the difference between its acquisition value and the transmission value.

Unless proof that the amount actually satisfied corresponds to that which would have been agreed by independent parties under normal market conditions, the transmission value may not be lower than the greater of the two following:

The resulting theoretical balance sheet corresponding to the last financial year closed prior to the date of the tax accrual.

The average of the results of the three social exercises closed prior to the date of the tax accrual is to be capitalized at the rate of 20 percent. To this end, distributed dividends and allocations

to reserves, excluding those for regularisation or updating of balance sheets, shall be counted as profits.

The transmission value so calculated shall be taken into account to determine the acquisition value of the securities or units corresponding to the acquirer.

The amount obtained by the transfer of subscription rights from these securities or units shall be considered to be an asset for the transfer in the tax period in which the said securities are transferred. transmission.

In the case of partially released shares, their acquisition value will be the amount actually paid by the taxpayer. In the case of fully-released shares, the acquisition value, both of which they come from, will result from the distribution of the total cost between the number of securities, both the old and the released ones.

(c) The transfer or repayment of shares or shares representing the capital or assets of the collective investment institutions referred to in Article 94 of this Law, or the gain or loss of assets shall be computed by the difference between its acquisition value and the transmission value, determined by the applicable settlement value on the date on which such transmission or redemption occurs or, failing that, by the last value Published liquidative. Where there is no liquidative value, the theoretical value resulting from the balance sheet corresponding to the last financial year prior to the date of the tax accrual shall be taken.

In assumptions other than the redemption of units, the transmission value calculated so calculated may not be less than the greater of the following two:

-The price effectively agreed upon in the transmission.

-The value of trading on official secondary markets as defined in Directive 2004 /39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments and, in In the case of securities trading systems, the securities market shall be subject to the conditions set out in Article 3 (1) of Regulation (EU) No 241/2013

the European Parliament and of the Council [3].

For the purposes of determining the acquisition value, the provisions of paragraph 1 (a) shall apply where appropriate.

By way of derogation from the foregoing paragraphs, in the case of transfers of shares in the quoted investment funds referred to in Article 49 of the Regulation of Law 35/2003 of November 4, collective investment institutions, approved by Royal Decree 1309/2005 of 4 November 2005 on stock exchange, the value of the transfer shall be determined in accordance with point (a) of this paragraph.

(d) From non-cash contributions to companies, the gain or loss shall be determined by the difference between the acquisition value of the assets or rights contributed and the largest amount of the following:

First.-The nominal value of the shares or social units received by the contribution or, where appropriate, the corresponding part of the contribution. The amount of the emission premiums will be added to this value.

Second.-The value of the quotation of the titles received on the day when the contribution or the immediate past is formalized.

Third.-The market value of the good or the right contributed.

The transmission value so calculated shall be taken into account to determine the acquisition value of the securities received as a result of the non-cash contribution.

(e) In cases of separation of the partners or dissolution of companies, the difference between the value of the settlement fee shall be deemed to be a profit or loss, without prejudice to those of the company. the market value of the goods received and the value of the acquisition of the corresponding title or share of capital.

In cases of division, merger or absorption of companies, the taxpayer's profit or loss shall be computed by the difference between the acquisition value of the securities, rights or securities representing the the partner's participation and the market value of the securities, number or rights received or the market value of the delivered.

f) Of a transfer, the wealth gain shall be computed to the transferor in the amount corresponding to the transfer.

When the right of transfer has been acquired by price, it will have the purchase price consideration.

(g) Of compensation or capital insured for loss or loss in property assets, the difference between the amount received and the proportional share of the value of the assets shall be computed as a profit or loss. acquisition corresponding to the damage. Where the compensation is not in cash, the difference between the market value of the goods, rights or services received and the proportional share of the acquisition value corresponding to the damage shall be computed. Only estate gain will be computed when a rise in the value of the taxpayer's estate is derived.

h) Of the swap of goods or rights, including the exchange of securities, the wealth gain or loss shall be determined by the difference between the acquisition value of the property or the right to be transferred and the greater of the following two:

-The market value of the given right or right.

-The market value of the good or right that is received in return.

(i) From the extinction of life or temporary income, the property gain or loss shall be computed, for the obligation to pay those, by difference between the value of the acquisition of the capital received and the sum of the income effectively satisfied.

(j) In the transfer of assets in exchange for a temporary or lifetime income, the wealth gain or loss shall be determined by difference between the actuarial current financial value of the income and the value of acquisition of the transferred assets.

k) When the holder of a real right of enjoyment or enjoyment of immovable property carries out its transmission, or when its extinction occurs, for the calculation of the profit or loss of property the actual amount referred to in the article 35.1.a) of this law shall be reduced in proportion to the time during which the holder would not have received income from the real estate capital.

(l) In the incorporation of goods or rights that do not result from a transmission, the market value of those shall be computed as a patrimonial gain.

m) In the transactions made in the futures and options markets regulated by Royal Decree 1814/1991 of 20 December, the yield obtained shall be deemed to be profit or loss when the transaction does not involve the coverage of a concerted main operation in the development of the economic activities carried out by the taxpayer, in which case they shall be taxed in accordance with the provisions of Section 3 of this Chapter.

n) In the transfer of property assets to economic activities, the book value shall be deemed to be the value of the acquisition, without prejudice to the specialities which may be established in respect of the write-downs that have been written by the value.

2. For the purposes of paragraphs (a), (b) and (c) of the preceding paragraph, where there are homogeneous values, those transmitted by the taxpayer shall be deemed to be those which he acquired in the first place. Also, where the totality of the subscription rights is not transmitted, the transmitted rights shall be understood to correspond to the values acquired in the first place.

In the case of fully released shares, the age of the shares shall be considered to be the age of the shares from which they come.

3. The provisions of paragraphs (d), (e) and (h), for the exchange of securities, of paragraph 1 of this Article shall be without prejudice to the provisions of Chapter VIII of Title VII of the recast of the Company Tax Act.

4. The amount obtained by the transfer of preferential subscription rights resulting from capital increases made in order to increase the degree of dissemination of the shares of a company prior to its admission to trading in any of the official secondary markets of securities provided for in Law 24/1988 of 28 July of the Securities Market, the arrangements provided for in paragraph 1 (a) of this Article shall be followed.

The failure to submit the application for admission within two months, to be counted from the date of the capital increase, the withdrawal of the said application for admission, the refusal of admission or the exclusion of the (a) before two years have elapsed since the beginning of the negotiations, they shall determine the taxation of the total amount obtained by the transmission of the subscription rights in accordance with the arrangements provided for in paragraph 1 (b) of this Article. Article.

Article 38. Reinvestment in the usual housing transmission assumptions.

The property gains obtained by the transmission of the taxpayer's habitual dwelling may be excluded, provided that the total amount obtained by the transfer is reinvested in the acquisition of a new habitual housing under the conditions to be determined.

When the reinvested amount is less than the total amount of the transmission received, only the proportional share of the earned wealth that corresponds to the reinvested amount shall be excluded from taxation.

Article 39. Non-justified heritage gains.

Will have the consideration of non-justified wealth gains for goods or rights whose tenure, statement or acquisition does not correspond to the income or equity declared by the taxpayer, as well as the inclusion of non-existent debts in any declaration by this tax or by the Heritage Tax, or their registration in the official books or records.

Unjustified capital gains shall be integrated into the overall liquidable basis of the tax period for which they are discovered, unless the taxpayer sufficiently proves that he has been the holder of the assets or corresponding rights from a date prior to that of the prescription period.

Law 35/2006, Tax on the Income of Physical Persons and Partial Modification of the Laws of Taxes on Societies, on the Income of Non-Residents and on Heritage.

CHAPTER III

Special Rules of Assessment

Article 40. Estimate of rents.

1. The valuation of the estimated income referred to in Article 6.5 of this Law shall be carried out by the normal value on the market. This shall mean the consideration to be agreed between independent subjects, unless otherwise tested.

2. In the case of loans and operations for the collection or use of foreign capital in general, the normal value in the market shall be the legal interest rate of the money in force on the last day of the tax period.

Article 41. Related operations.

The valuation of transactions between persons or related entities shall be performed by their normal market value, in accordance with Article 16 of the recast of the Company Tax Act.

Article 42. Income in kind.

1. They constitute income in kind for the use, consumption or procurement, for particular purposes, of goods, rights or services free of charge or for less than the normal market price, even if they do not entail a real expense for those who grant them.

When the payer of the income gives to the taxpayer amounts in cash for the taxpayer to acquire the goods, rights or services, the income shall be considered as cash.

2. They shall not have the consideration of income from work in kind:

(a) Delivery to workers in assets, free of charge or at a lower price than the normal market price, of shares or units of the company itself or other companies of the group of companies, in the part that does not exceed, for the total of those delivered to each worker, of EUR 12 000 per year, under the conditions laid down in regulation.

(b) The amounts intended for the updating, training or retraining of the staff employed, when they are required by the development of their activities or the characteristics of the jobs.

(c) Deliveries to employees of products at discounted prices to be carried out in canteens or in eaters of a company or social economy. They shall be given the consideration of the delivery of products at discounted prices to be carried out in a company's dining room, the indirect formulas for the provision of the service, the amount of which does not exceed the amount to be determined.

d) The use of goods for the social and cultural services of the staff employed. They shall have such consideration, inter alia, of spaces and premises, duly approved by the competent public administration, intended by the undertakings or employers to provide the first cycle of child education to the children of their workers, as well as the hiring, directly or indirectly, of this service with duly authorized third parties, in the terms that they regulate.

(e) The premiums or fees paid by the company under contract of employment accident insurance or civil liability of the worker.

(f) The premiums or fees paid to insurance institutions for sickness cover, where the following requirements and limits are met:

1. º that disease coverage reaches the worker himself, and can also reach his or her spouse and descendants.

2. That the premiums or contributions paid do not exceed EUR 500 per year for each of the persons mentioned in the previous paragraph. Excess over that amount shall constitute remuneration in kind.

(g) the provision of the pre-school, child, primary, compulsory secondary, secondary education and vocational training service by authorised educational establishments, to the children of their employees, free of charge or by lower than normal market price.

Article 43. Valuation of income in kind.

1. In general terms, income in kind shall be valued at normal value on the market, with the following specialties:

1. The following yields of the in-kind work will be valued according to the following valuation rules:

a) In the case of housing utilization, 10 percent of the cadastral value.

In the case of buildings located in municipalities where the cadastral values have been revised or modified, or determined by a collective valuation procedure of a general nature, in accordance with the cadastral regulations, and have entered into force from January 1, 1994, 5 percent of the cadastral value.

If, at the date of the tax accrual, the real estate has no cadastral value or has not been notified to the owner, it shall be taken as the basis for imputation of the same 50 percent of that for which it is to be computed to Effects of the Tax on Heritage. In these cases, the percentage will be 5 percent.

The resulting valuation may not exceed 10 percent of the remaining consideration of the work.

b) In the case of the use or delivery of motor vehicles:

In the delivery case, the acquisition cost for the payer, including the taxes that the operation taxes.

In the assumption of use, the 20 percent annual cost referred to in the previous paragraph. If the vehicle is not the property of the payer, this percentage shall be applied to the market value which would be the vehicle if it were new.

In the case of use and subsequent delivery, the valuation of the latter shall be made taking into account the valuation resulting from the previous use.

c) In loans with interest rates lower than the legal interest rate, the difference between the interest paid and the legal interest of the money in the period.

d) For the cost to the payer, including the taxes that the transaction taxes, the following income:

Benefits in the form of maintenance, accommodation, travel and the like.

The premiums or fees paid under contract insurance or similar, without prejudice to the provisions of paragraphs (e) and (f) of paragraph 2 of the previous article.

The amounts intended to satisfy the costs of studies and maintenance of the taxpayer or other persons linked to it by relationship of kinship, including those related, up to and including the fourth degree, without prejudice to the provided for in paragraph 2 of the previous Article.

(e) For their amount, the contributions paid by the promoters of pension schemes and the contributions paid by the sponsoring undertakings covered by Directive 2003 /41/EC of the European Parliament and of the Council of 3 June 2003 on the activities and supervision of pension funds for employment, as well as the amounts paid by employers to meet the pension commitments in the terms provided for by the additional provision the first of the recast of the Law on the Regulation of Pension Plans and Funds and their Development regulations. Equally for their amount, the amounts paid by employers to the insurance companies.

(f) Notwithstanding the provisions of the preceding paragraphs, where the performance of work in kind is satisfied by undertakings which have as their usual activity the performance of the activities which give rise to the performance of the work may not be less than the price offered to the public of the goods, right or service concerned.

The price will be considered to be offered to the public as provided for in Article 13 of Law 26/1984 of 19 July, General for the Defense of Consumers and Users, deducting ordinary or common discounts. Discounts which are offered to other collectives of similar characteristics to employees of the undertaking, as well as promotional discounts which are general in nature and

are in force in the Member State, shall be considered as ordinary or common. the time to satisfy the remuneration in kind or which, in another case, does not exceed 15% or EUR 1,000 per year.

2. º Property gains in kind shall be valued in accordance with Articles 34 and 37 of this Act.

2. In cases of income in kind, their valuation will be carried out according to the rules contained in this Law. This value shall be added to the revenue, unless its amount has been passed on to the income recipient.

CHAPTER IV

Income classes

Article 44. Income classes.

For the purposes of calculating the tax, the income of the taxpayer shall be classified, as appropriate, as general income or as income from savings.

Article 45. General income.

They shall form the general income and the income and property losses which, in accordance with the provisions of the following article, do not have the consideration of the income of the savings, as well as the income taxes to which it is refer to Articles 85, 91, 92 and 95 of this Law and Chapter II of Title VII of the recast of the Company Tax Act.

Article 46. Income from savings.

Make savings income:

(a) The income of the capital provided for in Article 25 (1), (2) and (3) of this Law. However, the capital returns provided for in Article 25 (2) of this Act from entities linked to the taxpayer shall be part of the general income.

(b) The property gains and losses that are evidenced by the transfer of assets.

CHAPTER V

Income integration and compensation

Article 47. Income integration and compensation.

1. For the calculation of the tax base, the positive or negative amounts of the taxpayer's income shall be integrated and compensated in accordance with the provisions of this Law.

2. On the basis of the income classification, the tax base will be divided into two parts:

a) The general tax base.

b) The tax base of savings.

Article 48. Integration and compensation of income in the general tax base.

The overall tax base will be the result of adding the following balances:

(a) The balance resulting from the integration and compensation of each other, without limitation, in each tax period, the income and the income taxes referred to in Article 45 of this Law.

(b) The positive balance resulting from integrating and compensating, exclusively with each other, in each tax period, the property gains and losses, excluding those provided for in the following Article.

If the result of the integration and compensation referred to in this paragraph results in negative balance, the amount shall be offset against the positive balance of the income provided for in paragraph (a) of this Article, obtained in the same tax period, with the limit of 25 percent of that positive balance.

If, after such compensation, the balance is negative, the amount shall be offset in the following four years in the same order as in the preceding paragraphs.

The compensation shall be made at the maximum amount allowed for each of the following financial years and without being able to be performed outside the four-year period by means of the accumulation of financial year losses. later.

Article 49. Integration and compensation of income in the tax base of savings.

1. The tax base of the savings shall be the positive balance of adding the following balances:

(a) The positive balance resulting from integrating and compensating, exclusively with each other, in each tax period, the returns referred to in Article 46 of this Act.

If the result of the integration and compensation results in a negative balance, the amount of the negative balance can only be offset by the positive that becomes apparent over the following four years.

(b) The positive balance resulting from integrating and compensating, exclusively with each other, in each tax period, the property gains and losses obtained therein as referred to in Article 46 of this Act.

If the result of the integration and compensation results in a negative balance, the amount of the negative balance can only be offset by the positive that becomes apparent over the following four years.

2. The compensation provided for in the preceding paragraph shall be made at the maximum level which permits each of the following financial years and which cannot be carried out outside the time limit referred to in the preceding subparagraph by means of cumulation negative income from subsequent years.

TITLE IV

Liquidable Base

Article 50. General liquidable base and savings.

1. The general liquidable base shall be constituted by the result of practising in the general tax base, exclusively and in this order, the reductions referred to in Articles 51, 53, 54 and 55 and the additional provision of this Law, without which may be negative as a result of such decreases.

2. The liquidable savings base shall be the result of reducing the tax base of the savings on the remainder, if any, of the reduction provided for in Article 55, without being negative as a result of such a decrease.

3. If the general liquidable base is negative, its amount may be offset against those of the positive general liquidable bases which are obtained in the following four years.

The compensation shall be made at the maximum amount allowed for each of the following financial years and without being able to be performed outside the time limit referred to in the preceding paragraph by means of the accumulation of liquidable bases negative general years later.

CHAPTER I

Reductions by attention to dependency and aging situations

Article 51. Reductions in contributions and contributions to social security systems.

The following contributions and contributions to social forecasting systems may be reduced in the general tax base:

1. Contributions and contributions to pension plans.

1. The contributions made by the participants to pension plans, including the contributions of the promoter who had been imputed to them in terms of performance of the work.

2. The contributions made by unit-holders to pension schemes covered by Directive 2003 /41/EC of the European Parliament and of the Council of 3 June 2003 on the activities and supervision of the pension funds employment pensions, including contributions made by the sponsoring undertakings, provided that the following requirements are met:

a) That the contributions are fiscally imputed to the participant to whom the benefit is linked.

b) That the right to the perception of future provision be irrevocably transferred to the participant.

c) That the ownership of the resources in which such a contribution consists is transmitted to the participant.

(d) The contingencies covered must be those provided for in Article 8.6 of the recast of the Law on the Regulation of Pension Plans and Funds, approved by the Royal Legislative Decree 1/2002 of 29 November.

2. Contributions and contributions to social security mutual societies that meet the following requirements:

a) Subjective Requirements:

1. The amounts paid under insurance contracts concluded with social welfare insurance funds by professionals not integrated into one of the social security schemes, by their spouses and family members (a) in the first degree, as well as by the workers of the said mutual societies, in the party which is intended to cover the contingencies provided for in Article 8.6 of the recast of the Law on the Regulation of the Plans and Funds of Pensions provided that they have not had the consideration of deductible expenditure for net income economic activities, in the terms provided for in the second paragraph of Rule 1 (1) of this Law.

2. The amounts paid under insurance contracts concluded with social welfare insurance funds by individual professionals or individual entrepreneurs integrated in any of the social security schemes, by their spouses and consanguineous relatives in the first degree, as well as by the workers of the said mutual societies, in the part which is intended to cover the contingencies provided for in Article 8.6 of the recast of the Law on the Pension Plans and Funds.

3. º The amounts paid under insurance contracts concluded with social welfare insurance funds for employed or employed persons, including the contributions of the promoter who have been (a) to be charged in respect of income from work, when carried out in accordance with the provisions laid down in the first provision of the recast text of the Law on the Regulation of Pension Plans and Funds, including unemployment for the Cited worker partners.

(b) The consolidated rights of the mutualists may be made effective only in the envisaged assumptions, for pension schemes, by Article 8.8 of the recast of the Law on the Regulation of Plans and Funds of Pensions.

3. The premiums paid to the insured pension plans. Insured forecast plans are 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, you may be entitled to benefits under the terms provided for in the recast of the Law on the Regulation of Pension Plans and Funds.

(b) The contingencies covered must be, only, those provided for in Article 8.6 of the recast of the Law on the Regulation of Pension Plans and Funds, and must have as their principal coverage the retirement provision. Only the advance provision, in whole or in part, shall be permitted in these contracts in the cases provided for in Article 8 (8) of the recast text. In such contracts, the provisions of Articles 97 and 99 of Law 50/1980 of 8 October of Insurance Contract shall not apply.

c) This type of insurance will necessarily have to offer a guarantee of interest and use actuarial techniques.

d) In the condition of the policy it will be stated expressly and prominently that this is an assured plan of foresight. The Insured Forecast Plan and its acronym are reserved for insurance contracts that meet the requirements of this Law.

e) Reglamentarily the requirements and conditions for the mobilization of the mathematical provision to another assured plan of foresight will be established.

In the non-specifically regulated aspects of the preceding paragraphs and their implementing rules, the financial and fiscal arrangements for the contributions, contingencies and benefits of such contracts shall be governed by the law. (a) the pension scheme, except for the financial-actuarial aspects of the relevant technical provisions. In particular, rights in an insured pension scheme may not be the subject of an embargo, a judicial or administrative action until the right to the provision or the right to benefit is caused in cases of serious illness or long-term unemployment.

4. The contributions made by the workers to the business social security plans regulated in the first provision of the recast text of the Law on the Regulation of Pension Plans and Funds,

including the contributions of the tomador. In any case, the business social security plans must meet the following requirements:

(a) The principles of non-discrimination, capitalisation, the irrevocability of contributions and the allocation of rights set out in Article 5 (1) of the recast text of the recast text shall apply to this type of insurance contract. the Law on the Regulation of Pension Plans and Funds, approved by Royal Legislative Decree 1/2002 of 29 November.

(b) The policy shall provide the premiums which, in compliance with the social security plan, must be met by the policyholder, which shall be imputed to the insured.

c) The policy conditionon will be expressly and prominently stated that this is a business social security plan. The name of the Business Social Security Plan and its acronym are reserved for insurance contracts that meet the requirements of this Law.

d) Reglamentarily the requirements and conditions for the mobilization of the mathematical provision to another business social forecast plan will be established.

e) The provisions of paragraph 3 (b) and (c) above.

In the non-specifically regulated aspects of the preceding paragraphs and their implementing rules, the provisions of the last subparagraph of paragraph 3 above shall apply.

5. The premiums paid to private insurance cover exclusively the risk of severe dependence or heavy dependence under the provisions of the Law on the promotion of personal autonomy and care for persons in a situation of dependency.

Also, persons with the taxpayer have a direct or collateral relationship of parentage up to and including the third degree, or their spouse, or those persons who have the taxpayer at their expense. (a) a system of guardianship or accommodation, may reduce the premiums paid to these private insurance in their taxable amount, taking into account the reduction limit laid down in Article 52 of this Law.

All reductions practiced by all persons who satisfy premiums in favour of the same taxpayer, including those of the taxpayer itself, may not exceed EUR 10,000 per year.

These premiums will not be subject to the Succession and Donation Tax.

The insurance contract must comply with the provisions of paragraph 3 (a) and (c) in any case.

In the non-specifically regulated aspects of the preceding paragraphs and their implementing rules, the provisions of the last subparagraph of paragraph 3 above shall apply.

Reglamentarily will be developed in this section.

6. All the maximum annual contributions which may be entitled to reduce the taxable amount made to the social security systems referred to in paragraphs 1, 2, 3, 4 and 5 above, including, where appropriate, those which have been imputed by the promoters, it shall not exceed the amounts provided for in Article 5.3 of the recast of the Law on the Regulation of Pension Plans and Funds.

Benefits shall be taxed in their entirety without in any case being able to be reduced in the amounts corresponding to the excess contributions and contributions.

7. In addition to the reductions made with the limits provided for in the following Article, taxpayers whose spouse does not obtain net income from work or economic activities, or obtain them at less than EUR 8 000 per year, may reduce the contributions made to the social security systems provided for in this Article, from which the spouse is a member, a mutual member or a holder, in the tax base, with a maximum limit of EUR 2 000 per year.

These contributions will not be subject to the Succession and Donation Tax.

8. If the taxpayer has the consolidated rights as well as the economic rights deriving from the different social security systems provided for in this Article, in whole or in part, in cases other than those provided for in the (a) rules on pension schemes and funds must replace the reductions in the tax base unduly paid, by means of appropriate self-financing, including interest on late payment. The amounts collected in excess of the amount of contributions made, including, where appropriate, the contributions charged by the sponsor, shall be taxed as performance of the work in the tax period in which they are collected.

9. The reduction provided for in this Article shall be applicable to any form in which the benefit is received. In the event that the same is received in the form of an insured life income, it may be possible to establish mechanisms of reversal or certain periods of benefit or formulas of counterinsurance in the event of death once the life income is constituted.

Article 52. Reduction limit.

1. As a joint maximum limit for the reductions provided for in Article 51 (1), (2), (3), (4) and (5) of this Law, the lower of the following amounts shall apply:

(a) 30 per 100 of the sum of the net income of the work and of the economic activities received individually in the financial year. This percentage will be 50 per 100 for taxpayers over the age of 50.

(b) EUR 10,000 per year. However, in the case of taxpayers over 50 years of age, the previous amount shall be EUR 12,500.

2. Unit-holders, mutualists or insured persons who have made contributions to the social security systems referred to in Article 51 of this Law may reduce the amounts provided in the following five financial years, including: the case, the contributions of the promoter or those made by the undertaking which had been imputed to them, which could not have been the subject of a reduction in the taxable amount due to insufficient or by application of the percentage limit laid down in the Paragraph 1 above. This rule shall not apply to contributions and contributions exceeding the ceilings referred to in Article 51 (6

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Article 53. Reductions in contributions and contributions to social welfare systems made up of people with disabilities.

1. Contributions made to pension schemes in favour of persons with disabilities with a degree of physical or sensory disability equal to or greater than 65 per cent, psychic equal to or greater than 33 per 100, as well as persons having a disability An inability to act independently of its degree, in accordance with the provisions of the additional provision of this Law, may be reduced in the tax base with the following ceilings:

(a) Annual contributions made to pension schemes in favour of persons with disabilities with whom there is a relationship of kinship or mentorship, with a limit of 10,000 euros per year.

This is without prejudice to the contributions they may make to their own pension plans, in accordance with the limits set out in Article 52 of this Act.

(b) Annual contributions made by persons with a disability unit, with a limit of EUR 24,250 per year.

All the reductions made by all persons making contributions to the same person with disabilities, including those of the person with a disability, shall not exceed EUR 24,250 per year. For these purposes, when several contributions are made in favour of the person with disabilities, the contributions made by the person with a disability must be reduced in the first place, and only if they do not reach the Limit of EUR 24,250 indicated, may be the subject of reduction of contributions made by other persons to their advantage in the tax base of these, in a proportional manner, without, in any case, all the reductions practiced by all persons who make contributions in favour of the same person with a disability may exceed EUR 24,250.

(c) Contributions which could not have been subject to a reduction in the tax base for failure to do so may be reduced in the following five years. This rule shall not apply to contributions and contributions exceeding the limits laid down in this paragraph 1

2. The scheme regulated in this article will also apply to contributions to social welfare benefits, premiums paid to insured pension schemes, business social security schemes and insurance schemes. (a) a dependency which complies with the requirements laid down in Article 51 and in the additional provision of this law. In such a case, the limits set out in paragraph 1 above shall be set for all social welfare systems consisting of persons with disabilities.

3. The contributions to these social welfare systems constituted in favour of persons with disabilities, carried out by the persons referred to in paragraph 1 of the additional provision of this law, shall not be subject to the tax on Successions and Donations.

4. For the purposes of the receipt of benefits and the anticipated provision of consolidated or economic rights in cases other than those provided for in the additional provision of this Law, the provisions of paragraphs 8 and 8 shall apply. 9 of Article 51 of this Law.

Article 54. Reductions in contributions to protected assets of persons with disabilities.

1. Contributions to the protected heritage of the person with disabilities by persons with whom they have a relationship of parentage in direct or collateral line up to and including the third degree, as well as by the spouse of the person with disability or for those who have it in their custody or in a host country, they will be entitled to reduce the tax base of the contributor, with the maximum limit of EUR 10,000 per year.

All the reductions practiced by all persons making contributions in favour of the same protected heritage may not exceed EUR 24,250 per year.

For these purposes, where several contributions are made in favour of the same protected heritage, the reductions corresponding to those contributions shall be proportional in proportion to the total of these contributions without, in any case, the whole the reductions practised by all natural persons making contributions in favour of the same protected heritage may exceed EUR 24,250 per year.

2. Contributions exceeding the limits provided for in the preceding paragraph shall be entitled to reduce the tax base of the following four tax periods until, where appropriate, the maximum reduction amounts are exhausted in each of them.

The provisions of the preceding paragraph shall also apply in cases where the reduction in the amount of the tax base does not apply.

Where reductions in the taxable amount are to be paid in the same period for contributions made in the financial year with reductions in previous financial years to be applied, the reductions shall be applied in the first place. from the previous years, until the maximum reduction amounts are exhausted.

3. In the case of non-cash contributions, it will be taken as the amount of the contribution as provided for in Article 18 of Law 49/2002 of 23 December on the taxation of non-profit-making entities and tax incentives. to patronage.

4. They shall not generate the right to reduce the contributions of elements affected to the activity carried out by the taxpayers of this Tax that carry out economic activities.

In no case shall the contributions made by the person with a protected property owner of the protected heritage be reduced.

5. The provision of any good or right provided to the protected estate of the person with a disability made in the tax period in which the contribution is made or in the following four shall have the following tax consequences:

(a) If the contributor was a taxpayer for this tax, it must replenish the reductions in the tax base unduly practiced by submitting the appropriate supplementary self-settlement with the inclusion of the interest on late payment, within the period between the date on which the

provision is made and the end of the statutory period of return for the tax period in which that provision is made.

(b) The holder of the protected estate which received the contribution must integrate into the tax base the part of the contribution received which it would have ceased to integrate in the tax period in which it received the contribution as as a result of the application of Article 7 (w) of this Law, by means of the submission of the additional appropriate self-validation including the interest for late payment, within the period between the date on which the the provision and the finalisation of the regulatory deadline for the declaration of the the tax period on which that provision is made.

In cases where the contribution was made to the protected heritage of the relatives, spouses or persons in charge of the workers under a supervision or a host scheme, as referred to in paragraph 1 of this Article, by a taxable person of the Company Tax, the obligation described in the preceding paragraph must be met by that worker.

(c) For the purposes of Article 43 (5) of the recast of the Company Tax Act, the owner of the protected estate shall inform the employer who made the contributions, the provisions that have been made in the tax period.

In cases where the provision has been made in the protected heritage of the relatives, spouses or persons in charge of the workers under a supervision or a host system, the communication referred to in the paragraph This worker must also be made by the worker.

Lack of communication or making false, incorrect or inaccurate communications will constitute a minor tax violation. This infringement shall be punishable by a fixed pecuniary fine of EUR 400.

The penalty imposed in accordance with this paragraph shall be reduced in accordance with the provisions of Article 188 (3) of Law 58/2003 of 17 December, General Tax.

For the purposes set out in this paragraph, in the case of homogeneous goods or rights, it is understood that they were provided in the first place.

The provisions of this paragraph shall not apply in the event of the death of the owner of the protected estate, the contribution or the workers referred to in Article 43 (2) of the recast of the law of the Corporation Tax.

CHAPTER II

Compensatory pension reduction

Article 55. Compensatory allowance reductions.

Compensatory pensions in favour of the spouse and annuities for food, with the exception of those laid down in favour of the taxpayer's children, both of which are satisfied by judicial decision, may be reduced on the basis of taxable.

TITLE V

Adequacy of the tax on the personal and family circumstances of the taxpayer

Article 56. Minimum personal and family.

1. The minimum personal and family is the part of the liquidable base that, to be used to satisfy the basic personal and family needs of the taxpayer, is not subject to taxation for this tax.

2. Where the general liquidable base is higher than the amount of the minimum personal and family, it shall form part of the general liquidable base.

Where the general liquidable base is less than the amount of the minimum personal and family, it shall form part of the overall liquidable basis for the amount of the latter and the liquidable basis of the savings for the remainder.

Where there is no overall liquidable basis, the minimum personal and family will be part of the liquidable savings base.

3. The minimum personal and family shall be the result of adding the minimum of the taxpayer and the minimums for descendants, ascendants and disabilities referred to in Articles 57, 58, 59 and 60 of this Law.

Article 57. Minimum of taxpayer.

1. The minimum amount of the taxpayer shall be EUR 5,050 per year.

2. Where the taxpayer is older than 65 years, the minimum shall be increased by EUR 900 per year. If the age is more than 75 years, the minimum will be increased by 1,100 euros per year.

Article 58. Minimum by descendants.

1. The minimum for descendants shall be, for each of them under 25 years of age or with disabilities whatever their age, provided that they live with the taxpayer and do not have annual income, excluding those exempt, exceeding 8,000 euros, of:

€ 1,800 per year for the first one.

2,000 euros per year per second.

EUR 3,600 per year for the third party.

EUR 4,100 per year for the fourth and the following.

For these purposes, those persons who are linked to the taxpayer by reason of guardianship and acceptance shall be treated as descendants in the terms provided for in the applicable civil legislation.

Among other cases, the descendants who, depending on the same, will be considered to be interned with the taxpayer will be considered to be in specialized centers.

2. Where the descendant is less than three years old, the minimum referred to in paragraph 1 above shall be increased by EUR 2,200 per year.

In the cases of adoption or acceptance, both pre-adopted and permanent, such an increase will occur, regardless of the age of the child, in the tax period in which it is registered in the Civil Registry and in the following two. Where registration is not necessary, the increase may be made in the tax period in which the corresponding judicial or administrative decision is taken and in the following two.

Article 59. Minimum per ascending line.

1. The minimum per ascending line shall be EUR 900 per year, for each of them over the age of 65 years or with disabilities whatever their age living with the taxpayer and not having annual income, excluding those exempted, exceeding EUR 8,000.

Among other cases, it will be considered that the taxpayer will be considered to be disabled relatives who, depending on it, are interned in specialized centers.

2. Where the parent is over 75 years of age, the minimum referred to in paragraph 1 above shall be increased by EUR 1,100 per year.

Article 60. Minimum disability.

The minimum disability shall be the sum of the minimum disability of the taxpayer and the minimum disability of ascendants and descendants.

1. The minimum disability of the taxpayer shall be EUR 2,270 per year if he is a person with a disability and EUR 6,900 per year when he is a person with a disability and has a disability degree equal to or greater than 65%.

This minimum will be increased, by way of assistance costs, by EUR 2,270 per year when you are in need of third-party support or reduced mobility, or a disability level equal to or greater than 65%.

2. The minimum disability of ascendants or descendants shall be EUR 2,270 per year for each of the descendants or ascendants who are entitled to the application of the minimum referred to in Articles 58 and 59 of this Law, which are persons with disabilities, whatever your age. The minimum shall be EUR 6,900 per year, for each of them who credit a degree of disability equal to or greater than 65%.

This minimum will be increased, by way of assistance costs, by EUR 2,270 per year for each ascending or descending person who proves to be in need of third-party support or reduced mobility, or a degree of disability equal to or more than 65 percent.

3. For the purposes of this Tax, persons with disabilities shall be considered to be taxpayers who credit, under conditions which are regulated by law, a degree of disability equal to or greater than 33%.

In particular, a degree of disability equal to or greater than 33% shall be deemed to be accredited in the case of social security pensioners who are recognised as a total permanent disability pension, absolute or large invalidity and in the case of pensioners of passive classes who are entitled to a retirement or retirement pension for permanent incapacity for service or uselessness. Similarly, a degree of disability equal to or greater than 65% shall be deemed to be accredited, in the case of persons whose incapacity is declared judicially, even if they do not reach such a degree.

Article 61. Common rules for the application of the minimum taxpayer and for descendants, ascendants and disabilities.

For the determination of the amount of the minima referred to in Articles 57, 58, 59 and 60 of this Law, the following rules shall be taken into account:

1. When two or more taxpayers are entitled to the application of the minimum by descendants, ascendants or disability, in respect of the same ascendants or descendants, their amount shall be prorated between them by party equals.

However, where taxpayers have a different degree of kinship with the parent or descendant, the application of the minimum shall correspond to the nearest degree, unless the latter do not have annual income, excluding exempt, in excess of EUR 8,000, in which case it shall correspond to those of the next grade.

2. The application of the minimum by descendants, ascendants or disability shall not be carried out, when the ascendants or descendants who generate the right to the same submit a declaration for this Tax with incomes exceeding 1,800 euro.

3. The determination of the personal and family circumstances to be taken into account for the purposes of Articles 57, 58, 59 and 60 of this Law shall be made in the light of the situation prevailing on the date of accrual of the tax.

4. Notwithstanding the provisions of the previous paragraph, in the event of the death of a descendant who generates the right to the minimum by descendants, the amount shall be EUR 1,800 per year for that descendant.

5. For the application of the minimum by ascending, it will be necessary for these to coexist with the taxpayer, at least, half of the tax period.

TITLE VI

State tax calculation

CHAPTER I

Determination of the state full quota

Article 62. State full quota.

The full state share will be the sum of the amounts resulting from the application of the tax rates, as referred to in Articles 63 and 66 of this Law, to the general liquidable and savings bases, respectively.

Article 63. General scale of the tax.

1. The part of the general liquidable base exceeding the amount of the minimum personal and family referred to in Article 56 of this Law shall be taxed as follows:

1. The general liquidable base will be applied to the types indicated on the following scale:

Settable Base

-

Up to Euros

Full

-

Euros

Resto base liquidable

-

Up to Euros

Applicable Type

-

0

0

17.360

15.66

17.360

2.718.58

15,000

18.27

32.360

20,000

20,000

24,14

52.360

10.287.08

Forward

27.13

2. The resulting amount shall be reduced in the amount of the amount applied to the part of the general liquidable base corresponding to the minimum personal and family, the scale provided for in the preceding number

.

2. The average state general charge means the derivative of multiplying by 100 the ratio resulting from the division of the quota obtained by the application of the provisions of the previous paragraph by the general liquidable base. The average state general charge rate shall be expressed in two decimal places.

Article 64. Specialties applicable in the assumptions of annuities for food in favor of the children.

Taxpayers who satisfy their children's annuities by judicial decision, where the amount of the income is lower than the general liquidable basis, shall apply the scale provided for in paragraph 1 of paragraph 1 of this Article. Article 63 of this Law separately from the amount of the annuities for food and the rest of the general liquidable base. The resulting total amount shall be reduced by the amount of the scale provided for in Article 63 (1) (1) of this Law, to the part of the general liquidable base corresponding to the minimum personal and family allowance. in EUR 1,600 per year, without being negative as a result of such a sentence.

Article 65. Scale applicable to residents abroad.

In the case of taxpayers who have their habitual residence abroad for any of the circumstances referred to in Article 8 (2) and Article 10 (1) of this Law, the The applicable scales shall be those laid down in Article 63 (1) and Article 74 (1), both of which are applicable.

Article 66. Savings tax rates.

1. The liquidable savings base, in the part that does not correspond, where appropriate, with the minimum personal and family referred to in Article 56 of this Law, will be taxed at the rate of 11.1 percent.

2. In the case of taxpayers who have their habitual residence abroad for any of the circumstances referred to in Article 8 (2) and Article 10 (1) of this Law, the liquidable basis of the savings, in the part that does not correspond, where appropriate, with the minimum personal and family referred to in Article 56 of this Law, will be taxed at the rate of 18 percent.

CHAPTER II

Determination of the state liquid quota

Article 67. State liquid quota.

1. The state's liquid tax quota will be the result of decreasing the state's full share in the sum of:

(a) The deduction for investment in habitual housing provided for in Article 68.1 of this Law.

(b) 67% of the total amount of the deductions provided for in Article 68 (2), (3), (4), (5) and (6) of this Law.

2. The result of the operations referred to in the preceding paragraph shall not be negative.

Article 68. Deductions.

1. Deduction for investment in habitual housing.

1. The taxpayers may deduct 10,05% of the amounts paid in the period concerned by the purchase or rehabilitation of the dwelling which constitutes or is to constitute the habitual residence of the taxpayer. For these purposes, the rehabilitation must meet the conditions laid down in regulation.

The maximum basis for this deduction shall be EUR 9,015 per year and shall consist of the amounts satisfied for the purchase or rehabilitation of the dwelling, including the incurred

expenses incurred by the acquiring and, in the case of foreign financing, the depreciation, interest, the cost of the instruments for hedging the variable interest rate of the mortgage loans regulated in Article 19 of Law 36/2003 of 11 (a) November, economic reform measures, and other expenditure arising therefrom. In the case of the application of the said hedging instruments, the interests satisfied by the taxpayer shall be reduced in the quantities obtained by the application of the said instrument.

They may also apply this deduction for amounts deposited in credit institutions, in accounts that meet the requirements of formalization and provision that are regulated, and provided that they are the first purchase or rehabilitation of the usual dwelling, with the limit, in conjunction with that provided for in the previous paragraph, of EUR 9,015 per year.

In cases of marriage annulment, divorce or legal separation, the taxpayer may continue to apply this deduction, in the terms that are regulated, for the amounts paid in the period tax for the acquisition of which your habitual dwelling was during the duration of the marriage, provided that you continue to have this condition for the common children and the parent in whose company they remain.

2. When a habitual dwelling is acquired having enjoyed the deduction for acquisition of other habitual dwellings, no deduction may be made for the purchase or rehabilitation of the new housing. amounts invested in the same do not exceed those invested in the previous ones, in so far as they were deducted.

When the disposal of a habitual dwelling would have generated a wealth gain exempt by reinvestment, the basis of deduction for the acquisition or rehabilitation of the new one will be reduced in the amount of the estate profit. to which the reinvestment exemption applies. In this case, no deduction may be made for the purchase of the new one while the amounts invested in it do not exceed the price of the new one, in so far as it has been the subject of deduction, such as the exempt assets by reinvestment.

3. The usual housing shall mean that in which the taxpayer resides for a continuous period of three years. However, it shall be understood that the dwelling was such that, in spite of the absence of such a period, the taxpayer's death occurs or circumstances which necessarily require the change of housing, such as marriage separation, transfer of employment, first employment or more advantageous employment or other similar employment.

4. Also, the deduction for investment in habitual housing may be applied by taxpayers who carry out works and facilities for their suitability, including the common elements of the building and those that serve as a necessary step between the farm and the public road, with the following specialties:

(a) The works and facilities of adaptation must be certified by the competent authority as necessary for the accessibility and sensory communication that facilitates the dignified and adequate development of the people with disability, in terms that are established in a regulated manner.

(b) They shall be entitled to deduct the appropriate works and facilities to be carried out in the habitual housing of the taxpayer, on account of the disability of the taxpayer himself or his spouse or a relative, in direct line or collateral, consanguine or affinity, up to and including the third degree, which coexists with him.

(c) Housing must be occupied by any of the persons referred to in the preceding paragraph by title of owner, tenant, subtenant or usufruct.

(d) The maximum basis for this deduction, irrespective of the one set out in subparagraph (a) of paragraph 1 above, shall be EUR 12,020 per year.

e) The deduction percentage will be 13.4 percent.

f) It is understood as a circumstance that necessarily requires the change of housing when the previous one is inadequate in reason of disability.

g) Trying to modify the common elements of the building that serve as a necessary step between the urban property and the public road, as well as the necessary ones for the application of electronic devices that serve to (a) to overcome sensory communication barriers or to promote their safety, may apply this deduction in addition to the taxpayer referred to in point (b) above, the taxpayers who are the co-owners of the building in which the housing.

2. Deductions in economic activities.

The taxpayers for this tax that will carry out economic activities will apply the incentives and incentives to the business investment established or that are established in the regulations of the Tax on Companies with equal percentages and deduction limits, with the exception of the deduction provided for in Article 42 of the recast of the Companies Tax Act.

However, in the case of taxpayers for this Tax who exercise economic activities and determine their net performance by the objective estimation method:

(a) The deductions for the promotion of the information and communication technologies provided for in Article 36 of the recast of the Companies Tax Law, in the form and with the limits, shall apply to them. established in Article 44 of that Law, and in Article 69.2 of this Law. The joint basis for these deductions shall be limited to the net performance of the economic activities, by the objective estimation method, computed for the determination of the tax base.

(b) The other incentives referred to in paragraph 2 shall only apply to them where it is laid down in law, taking into account the formal characteristics and obligations of the said method.

3. Deductions for donations.

Contributors will be able to apply, in this concept:

(a) The deductions provided for in Law 49/2002, of 23 December, of the tax regime of non-profit entities and of tax incentives for patronage.

b) 10% of the amounts donated to legally recognised foundations which are held to account by the body of the relevant protectorate, as well as to associations declared for public utility, not included in the previous paragraph.

4. Deduction for income obtained in Ceuta or Melilla.

1. º Contributors resident in Ceuta or Melilla.

(a) Taxpayers who have their habitual residence in Ceuta or Melilla shall deduct 50% of the share of the sum of the total state and autonomous contributions that is proportional to the income computed for the determination of the liquidable bases which would have been obtained in Ceuta or Melilla.

(b) This deduction shall also be applied by taxpayers who maintain their habitual residence in Ceuta or Melilla for a period of not less than three years, in the tax periods initiated after the end of that period, by the income obtained outside those cities where at least one third of the net worth of the taxpayer, determined in accordance with the rules governing the tax on heritage, is located in those cities.

The maximum amount of income, obtained outside those cities, eligible for this deduction shall be the net amount of the income and income and property losses earned in those cities.

2. No taxpayers who do not have their habitual residence in Ceuta or Melilla, will deduct 50 percent of the share of the total state and autonomous contributions that proportionally corresponds to the calculated income for the determination of the positive liquidable bases which would have been obtained in Ceuta or Melilla.

This deduction will not be applied to the following rents:

Those from the Collective Investment Institutions, except where the entire assets are invested in Ceuta or Melilla, under the conditions that are determined to be determined.

The rents referred to in paragraphs (a), (e) and (i) of the following paragraph.

3. For the purposes set out in this Law, the following shall be considered as income obtained in Ceuta or Melilla:

(a) The income of the work, when derived from works of any kind performed in those territories.

(b) Yields arising from the ownership of real estate located in Ceuta or Melilla or from real rights that fall on them.

(c) Those that come from the exercise of economic activities actually carried out, under the conditions that are regulated, in Ceuta or Melilla.

(d) The property gains arising from real estate located in Ceuta or Melilla.

e) Property gains from movable property located in Ceuta or Melilla.

(f) Equity income from bonds or loans, where the capital is invested in those territories and where the corresponding income is generated there.

(g) Equity income from the lease of movable property, business or mine, under the conditions that are determined to be determined.

(h) Income from companies that are effectively and materially operating in Ceuta or Melilla and with a registered office and social object in those territories.

i) Yields from deposits or accounts in all financial institutions located in Ceuta or Melilla.

5. Deduction for actions for the protection and dissemination of the Spanish Historical Heritage and of the cities, assemblies and assets declared World Heritage.

Taxpayers will be entitled to a deduction in the 15 percent share of the amount of investments or expenses they make for:

(a) The acquisition of property of the Spanish Historical Heritage, carried out outside the Spanish territory for introduction into that territory, provided that the goods are declared goods of cultural interest or included in the General inventory of movable property within one year of its introduction and remain in Spanish territory and within the holder's estate for at least four years.

The basis for this deduction will be the valuation by the Board of qualification, valuation and export of assets of the Spanish historical heritage.

(b) the preservation, repair, restoration, dissemination and exposure of the property of their property which are declared of cultural interest in accordance with the rules of the historical patrimony of the State and the Autonomous Communities; provided that the requirements laid down in that legislation are met, in particular with regard to the duties of visiting and public exposure of such goods.

c) The rehabilitation of buildings, the maintenance and repair of their roofs and facades, as well as the improvement of their property located in the environment that is the object of protection of the Spanish cities or of the architectural, archaeological, natural or scenic sets and of the World Heritage listed in Spain.

6. Deduction for savings-company account.

Taxpayers may apply a deduction for amounts deposited in credit institutions, in separate accounts of any other kind of taxation, for the formation of a regulated New Company. in Chapter XII of Law 2/1995, of 23 March, of Limited Liability Societies, in accordance with the following requirements and circumstances:

1. The balance of the savings account must be allocated to the subscription as the founding partner of the shares of the company New Company.

For its part, the company New Company, within the maximum period of one year from its valid constitution, must allocate the funds provided by the partners that would have received the deduction to:

(a) The acquisition of tangible and intangible fixed assets exclusively affected the activity, as provided for in Article 29 of this Law.

b) Expenditure on constitution and first establishment.

c) Expenditure on staff employed with employment contract.

In any case, the company New Company must have, before the end of the period indicated with, at least, a local exclusively destined to carry the management of its activity and a person employed with labor contract and full time.

It is understood that the provisions of this paragraph have not been fulfilled when the company New Enterprise develops the activities previously held under another ownership.

2. The maximum basis for this deduction shall be EUR 9,000 per year and shall consist of the amounts deposited in each tax period up to the date of the subscription of the shares of the company New Company.

3. º The percentage of deduction applicable on the basis of deduction referred to in paragraph 2. above shall be 15%.

4. The Company New Company shall maintain for at least the two years following the beginning of the activity:

(a) The economic activity in which its social object consists, the New Company cannot be fulfilled within that period the requirements laid down in the fourth subparagraph of Article 116 (1) of the recast of the Law of the Corporation Tax.

(b) At least one premises exclusively for the purpose of managing the activity and a person employed on a full-time employment contract.

(c) Assets in which the balance of the savings account has materialised, which shall remain in operation in the equity of the new company.

5. º The right to deduction will be lost:

(a) Where the taxpayer has amounts deposited in the savings account for purposes other than the constitution of its first company New Company. In the case of a partial provision, the quantities laid down shall be deemed to be the first deposited.

(b) When the account has been opened for four years, the account shall not be entered in the Trade Register of the Company New Company.

(c) When "inter vivos" are transmitted the units within the time limit provided for in

4.

d) When the company New Company does not meet the conditions that determine the right to this deduction.

6. When, in tax periods after its application, the right, in whole or in part, to the deductions practiced, the taxpayer will be obliged to add to the state liquid quota and the liquid quota (a) on the basis of the conditions laid down in Article 6 (1) of the Law of the Court of Justice of the European Communities, of the Court of Justice of the European Communities, of the Court of Justice of the European Communities, of the Court of Justice

the European Communities

7. Each taxpayer will only be able to maintain a savings-business account and will only be entitled to the deduction for the first New Company that it constitutes.

8. Business-saving accounts must be identified on the same terms as those set for the housing account case.

Article 69. Limits of certain deductions.

1. The basis of the deductions referred to in Article 68 (3) and (5) of this Law shall not exceed for each of them 10% of the taxable amount of the taxpayer.

2. The limits of the deduction referred to in Article 68 (2) of this Law shall be those laid down in the Corporate Tax rules for incentives and incentives for business investment. These limits shall apply to the quota resulting from the payment of the sum of the full, state and autonomous quotas, in the total amount of the deductions for investment in habitual housing, provided for in Articles 68.1 and 78 thereof, and actions for the protection and dissemination of the Spanish Historical Heritage and of the cities, sets and assets declared World Heritage, provided for in Article 68.5 of this Law.

Article 70. Verification of the patrimonial situation.

1. The application of the deduction for investment in housing and for the deduction for the savings account shall require the fact that the amount checked against the taxpayer's assets at the end of the period of the tax exceeds the value of his/her verification at the beginning of the same at least on the amount of investments made, without taking into account interest and other financing costs.

2. For these purposes, the increases or decreases in value experienced during the tax period shall not be computed by the assets which at the end of the tax period remain part of the taxpayer's assets.

TITLE VII

Autonomic Taxation

CHAPTER I

Common rules

Article 71. Applicable common rules for the determination of the autonomic charge.

For the determination of the autonomic lien, the rules concerning the subjection to the tax and the determination of the economic capacity contained in Titles I, II, III, IV and V of this Law, as

well as those relating to the family taxation and special schemes, contained in Titles IX and X of this Law.

CHAPTER II

Habitual residence in the territory of an Autonomous Community

Article 72. Habitual residence in the territory of an Autonomous Community.

1. For the purposes of this Law, taxpayers with habitual residence on Spanish territory shall be deemed to be resident in the territory of an Autonomous Community:

1. º When a greater number of days of the tax period remain on your territory.

To determine the length of stay, temporary absences will be computed.

Unless otherwise tested, a natural person shall be deemed to remain in the territory of an Autonomous Community when in that territory they radiate their habitual dwelling.

2. When it is not possible to determine the permanence referred to in the ordinal 1. previous, they will be considered residents in the territory of the Autonomous Community where they have their principal center of interests. The territory where they obtain most of the taxable base of the Income Tax of the Physical Persons, determined by the following components of income, shall be considered as such:

a) Workups of the job, which will be understood to be obtained where the respective job center is located, if it exists.

(b) Real estate capital and property gains derived from real estate, which shall be understood to be derived from the place in which they radiate these.

(c) Business or professional activities resulting from economic activities, which shall be understood as having been obtained where the management centre of each of them is located.

3. Where the residence cannot be determined in accordance with the criteria laid down in ordinal 1 and 2. above, they shall be considered to be resident in the place of their last declared residence for the purposes of the Tax on the Income of the Physical Persons.

2. Natural persons residing in the territory of an Autonomous Community, who have their habitual residence in the territory of another Community, shall fulfil their tax obligations in accordance with the new residence, where it acts as a connecting point.

In addition, where, pursuant to paragraph 3 below, it is to be considered that there has been no change of residence, natural persons must present the corresponding additional self-actions, including of interest on late payment.

The deadline for the submission of the additional self-actions shall be the same day as the deadline for the submission of the declarations for the Income Tax of the Physical Persons corresponding to the year in which the circumstances which, as provided for in paragraph 3 below, determine that there has been no change of residence, as provided for in paragraph 3.

3. There will be no effect on changes of residence that are primarily intended to achieve lower effective taxation in this tax.

It shall be presumed, unless the new residence is continued on a continuous basis for at least three years, that there has been no change, in relation to the yield of the Income Tax of the Physical Persons, when the following circumstances are present:

(a) That in the year in which the change of residence occurs or in the following year, the taxable base of the Income Tax of the Physical Persons is higher in, at least, 50 percent to that of the year before the change.

In case of joint taxation it will be determined according to the rules of individualization.

b) That in the year in which the situation referred to in paragraph (a) above occurs, its effective taxation of the Income Tax of the Physical Persons is lower than that which it would have corresponded to according to the rules applicable in the Autonomous Community where the change was previously resident.

(c) In the year following the year in which the situation referred to in paragraph (a) above is produced, or in the following year, it shall return to its habitual residence in the territory of the Autonomous Community in which it resided with prior to the change.

4. Natural persons resident in Spanish territory, who do not remain in that territory for more than 183 days during the calendar year, shall be considered to be resident in the territory of the Autonomous Community in which the principal core or the base of their activities or their economic interests.

5. Natural persons resident in Spanish territory pursuant to the presumption provided for in the last subparagraph of Article 9 (1) of this Law shall be considered to be resident in the territory of the Autonomous Community where they reside. usually the spouse is not legally separated and the children under age are dependent on them.

CHAPTER III

Calculation of the autonomic charge

Section 1. Determination of the autonomic full quota

Article 73. Autonomous full quota.

The full autonomy of the tax will be the sum of the amounts resulting from the application of the tax rates, as referred to in Articles 74 and 76 of this Law, to the general liquidable base and the savings, respectively.

Article 74. Autonomous or complementary scale of the tax.

1. The part of the general liquidable base exceeding the amount of the minimum personal and family referred to in Article 56 of this Law shall be taxed as follows:

1. The general liquidable base will be applied to the types of the autonomic scale of the tax that, as provided for in Law 21/2001, of 27 December, regulating the fiscal and administrative measures of the new The system of financing of the Autonomous Communities of the common regime and cities with the Statute of Autonomy, have been approved by the Autonomous Community.

If the Autonomous Community has not approved the scale referred to in the preceding paragraph, the following additional scale shall apply:

Settable Base

-

Up to Euros

Full

-

Euros

Resto base liquidable

-

Up to Euros

Applicable Type

-

0

0

17.360

8.34

17.360

1.447.82

15,000

9.73

32.360

12,86

52.360

5.479, 32

Forward

15.87

2. The resulting amount shall be reduced in the amount of the amount applied to the part of the general liquidable base corresponding to the minimum personal and family, the scale provided for in the preceding number

.

2. The average rate of the autonomous general charge shall be that of multiplying by 100 the ratio resulting from the division of the quota obtained by the application of the provisions of the preceding paragraph by the general liquidable base. The average autonomous general charge rate shall be expressed in two decimal places.

Article 75. Specialties applicable in the assumptions of annuities for food in favor of the children.

Taxpayers who satisfy their children's annuities by judicial decision, where the amount of the income is lower than the general liquidable basis, shall apply the scale provided for in paragraph 1 of paragraph 1 of this Article. The following items shall be reported separately to the amount of the annuities for food and to the rest of the general liquidable basis. The resulting total amount shall be reduced by the amount of the scale provided for in Article 74 (1) (1) of this Law to the part of the general liquidable base corresponding to the minimum personal and family allowance. in EUR 1,600 per year, without being negative as a result of such a sentence.

Article 76. Type of tax on savings.

The liquidable savings base, in the part that does not correspond, if any, with the minimum personal and family referred to in Article 56 of this Law, will be taxed at the rate of 6.9 percent.

Section 2. Determination of the autonomic liquid quota

Article 77. Autonomous liquid quota.

1. The autonomous liquid quota will be the result of decreasing the autonomous full quota in the sum of:

(a) The autonomous section of the deduction for investment in habitual housing as provided for in Article 78 of this Law, with the limits and requirements of the assets situation laid down in Article 70 thereof.

(b) 33% of the total amount of the deductions provided for in Article 68 (2), (3), (4), (5) and (6) of this Law, with the limits and conditions of the assets provided for in Articles 69 and 70.

(c) The amount of the deductions established by the Autonomous Community in the exercise of the powers provided for in Law 21/2001 of 27 December 2001 regulating the fiscal and administrative measures of the new system for the financing of the Autonomous Communities of the common system and cities with autonomy status.

2. The result of the operations referred to in the preceding paragraph shall not be negative.

Article 78. Autonomous section of the deduction for investment in habitual housing.

1. The autonomous section of the deduction for investment in habitual housing regulated in Article 68.1 of this Law shall be the result of applying to the basis of the deduction, in accordance with the requirements and circumstances laid down therein, the percentages which, in accordance with the provisions of Law 21/2001 of 27 December 2001 on the taxation and administrative measures of the new system of financing of the Autonomous Communities of the common system and cities with the Statute of Autonomy, have approved by the Autonomous Community.

2. If the Autonomous Community has not approved the percentages referred to in the preceding paragraph, the following shall apply:

a) With a general character, 4.95 percent.

(b) In the case of works of adequate housing for persons with disabilities as referred to in Article 68.1 of this Law, the percentage shall be 6,6%.

TITLE VIII

Differential fee

Article 79. Differential fee.

The differential fee will be the result of minoring the total liquid quota of the tax, which will be the sum of the liquid, state and autonomous quotas, in the following amounts:

(a) The international double taxation deduction provided for in Article 80 of this Law.

(b) Withholding, income on account, and fractional payments provided for in this Law and in its regulatory development standards.

c) The deductions referred to in Article 91.8 and Article 92.4 of this Act.

(d) Where the taxpayer acquires his or her status by way of residence, withholding and income as referred to in Article 99 (8) of this Law, as well as the satisfied income of the Income Tax non-residents and accrued during the tax period in which the change of residence occurs.

e) The holds referred to in Article 99 (11) of this Law.

Article 80. International double taxation deduction.

1. Where the income of the taxpayer includes income or income earned and taxed abroad, the lower of the following amounts shall be deducted:

(a) The effective amount of the foreign satisfaction by reason of a tax of an identical or similar nature to this tax or the Income Tax of non-residents on such income or property gains.

b) The result of applying the effective average rate of lien to the settled base portion taxed abroad.

2. For these purposes, the effective average rate of charge shall be the result of multiplying by 100 the ratio obtained from dividing the total liquid quota by the liquidable basis. To this end, the rate of charge corresponding to general income and savings should be differentiated, as appropriate. The rate of charge shall be expressed in two decimal places.

3. Where foreign income is obtained through a permanent establishment, the international double taxation deduction provided for in this Article shall be applied, and in no case shall the procedure for the disposal of the double taxation provided for in Article 22 of the recast of the Companies Tax Act.

Article 81. Maternity deduction.

1. Women with children under three years of age, entitled to the application of the minimum by descendants provided for in Article 58 of this Law, who carry out an activity for their own or other account for which they are discharged under the corresponding scheme Social security or mutual insurance may undermine the differential fee of this tax up to EUR 1,200 per year for each child under the age of three.

In the case of adoption or acceptance, both pre-adopted and permanent, the deduction may be made, regardless of the age of the child, for the three years following the date of registration in the Register Civil.

When registration is not required, the deduction may be made during the three years after the date of the court or administrative decision declaring it.

In the event of the death of the mother, or when the guardian and custody are attributed exclusively to the father or, if appropriate, to a guardian, provided that he complies with the requirements set out in this article, he will be entitled to the practice of the pending deduction.

2. The deduction shall be calculated in proportion to the number of months in which the conditions laid down in paragraph 1 are met simultaneously, and shall have as a limit for each child the total contributions and contributions to the Social Security and Mutual funds accrued in each tax period after birth or adoption.

For the purposes of calculating this limit, contributions and contributions shall be computed for their full amounts, without taking into account any bonuses that may correspond.

3. The State Administration of Tax Administration may be required to pay the deduction in advance. In these cases, the tax differential fee will not be reduced.

4. The procedure and the conditions for the right to practice of this deduction shall be regulated, as well as the cases in which the payment may be made in advance.

TITLE IX

Family taxation

Article 82. Joint taxation.

1. Persons who are part of any of the following forms of family unit may be taxed together:

1. The one integrated by the spouses not legally separated and, if any:

(a) Children with the exception of those who, with the consent of the parents, live independent of them.

(b) Older children who are legally incapacitated subject to parental rights extended or rehabilitated.

2. In cases of legal separation, or where there is no marriage link, the one formed by the parent or the mother and all the children living together with one or the other and who meet the requirements referred to in Rule 1. Article.

2. No one can be part of two family units at the same time.

3. The determination of the members of the family unit shall be carried out on the basis of the situation as at 31 December of each year.

Article 83. Option for joint taxation.

1. Natural persons integrated into a family unit may, in any tax period, choose to pay jointly in the Income Tax of the Physical Persons, in accordance with the general rules of the tax and the provisions of this title, provided that all of its members are taxpayers for this tax.

The option for joint taxation will not link for successive periods.

2. The option for joint taxation should cover all members of the family unit. If one of them has an individual declaration, the others must use the same scheme.

The option exercised for a tax period may not be modified after the end of the statutory reporting period.

In the event of a lack of declaration, taxpayers will be taxed individually, unless they expressly express their choice within 10 days of the tax administration's requirement.

Article 84. Rules applicable to joint taxation.

1. In joint taxation, the general rules of the tax on the determination of the income of the taxpayers, determination of the taxable and liquidable bases and determination of the tax liability, with the specialties that are set out in the following sections.

2. The amounts and quantitative limits established for the purposes of individual taxation shall be applied in the same amount in the case of joint taxation, without any increase or multiplication depending on the number of members of the unit. family.

However:

1. The maximum reduction limits in the tax base provided for in Articles 52, 53 and 54 and in the additional eleventh provision of this Law shall be applied individually by each participating member or mutualist in the unit family.

2. In any of the forms of family unit, the minimum provided for in Article 57 (1) shall be EUR 5,050 per year, irrespective of the number of members integrated into it.

For the quantification of the minimum referred to in Article 57 (2) and Article 60 (1), both of this Law, the personal circumstances of each of the spouses integrated into the unit shall be taken into account family.

In no case shall the application of the above mentioned minimums be carried out by the children, without prejudice to the amount of the minimum due to descendants and disabilities.

3. In the first of the forms of family unit of Article 82 of this Law, the tax base, prior to the reductions provided for in Articles 51, 53 and 54 and in the additional provision of this Law, is reduce by EUR 3,400 per year. To this end, the reduction shall be applied in the first place to the general tax base without being negative as a result of such a reduction. The remainder, if any, will reduce the tax base of the savings, which will also not be negative.

4. In the second of the forms of family unit of Article 82 of this Law, the tax base, prior to the reductions provided for in Articles 51, 53 and 54 and in the additional provision of this Law, is reduce by EUR 2,150 per year. To this end, the reduction shall be applied in the first place to the general tax base without being negative as a result of such a reduction. The remainder, if any, will reduce the tax base of the savings, which will also not be negative.

This reduction will not apply when the taxpayer coexists with the parent or parent of any of the children who are part of their family unit.

3. In the case of joint taxation, it shall be compensable, in accordance with the general rules of the tax, for the property losses and general negative liquidable bases, carried out and not compensated by the taxpayer components of the family unit. in previous tax periods where they have been individually taxed.

4. The same concepts determined in joint taxation will be compensable exclusively, in the case of subsequent individual taxation, by those taxpayers to whom they correspond according to the rules on the individualization of income contained in this law.

5. Income of any kind obtained by natural persons integrated into a household which has opted for joint taxation shall be taxed cumulatively.

6. All members of the family unit shall be jointly and severally liable to the tax, without prejudice to the right to extend the tax liability to each other, according to the part of the income subject to each of them.

TITLE X

Special Regimes

Section 1. Incharge of Real Estate Income

Article 85. Allocation of real estate income.

1. In the case of the urban real estate, qualified as such in article 7 of the recast of the Law of the Land Registry, approved by the Royal Legislative Decree 1/2004, of March 5, as well as in the case of the rustic buildings with buildings which are not essential for the development of agricultural, livestock or forestry holdings, not in both cases for economic activities, or for generating income from capital, excluding habitual housing and land not built, will have the consideration of income charged the amount that will result from applying the 2 percent to the cadastral value, determined proportionally to the number of days corresponding to each tax period.

In the case of buildings located in municipalities where the cadastral values have been revised, modified or determined by a collective valuation procedure of a general nature, in accordance with the cadastral regulations, and have entered into force from January 1, 1994, the imputed income will be 1.1 percent of the cadastral value.

If the property referred to in this section has not been notified to the owner of the tax, or the property has not been notified to the owner, it shall be taken as the basis for the allocation of the real estate 50 percent of the property. for which they are to be computed for the purposes of the Heritage Tax. In these cases, the percentage will be 1.1 percent.

In the case of buildings under construction and in cases where, for urban reasons, the building is not susceptible to use, no income shall be estimated.

2. These rents shall be charged to the holders of the immovable property in accordance with Article 7 of Law 19/1991 of 6 June of the Heritage Tax.

When there are real rights of enjoyment, the income from which the owner of the right is entitled to these effects shall be that which corresponds to the owner.

3. In the case of rights to take advantage of real estate, the imputation shall be made to the owner of the actual right, prorating the cadastral value according to the annual duration of the period of use.

If the property referred to in this section of the tax, or the property, has not been notified to the owner of the tax, the purchase price of the right to be charged shall be taken as the basis of imputation. use.

The property income shall not be imputed to the holders of rights to take advantage of real estate when its duration does not exceed two weeks per year.

Section 2. Income Attribution Regime

Article 86. Income allocation scheme.

The income for the entities under the income allocation regime shall be attributed to the partners, heirs, community members or unit-holders, respectively, in accordance with the provisions of this Section

.

Article 87. Entities on the basis of income allocation.

1. They shall have the consideration of entities on the basis of income allocation as referred to in Article 8.3 of this Law, and in particular institutions incorporated abroad whose legal status is identical or similar to that of the entities in the allocation of income in accordance with Spanish laws.

2. The income allocation scheme shall not apply to agricultural processing companies which shall be taxed on the corporate tax.

3. Entities on the basis of income allocation shall not be subject to Corporate Tax.

Article 88. Rating of the assigned income.

The income of the entities under the allocation of income attributed to the partners, heirs, community members or members of the entity shall have the nature derived from the activity or source from which they come for each of them.

Article 89. Calculation of the attributable income and payments on account.

1. For the calculation of the income to be attributed to each of the partners, heirs, community members or unit-holders, the following rules shall apply:

1. The income shall be determined in accordance with the rules of this Tax, and the reductions provided for in Articles 23.2, 23.3, 26.2 and 32 of this Law shall not apply, with the following specialties:

(a) The income attributable shall be determined in accordance with the provisions of the Corporate Tax rules when all the members of the entity under the income allocation regime are taxable persons of that tax or Taxpayers for the Non-Resident Income Tax with permanent establishment.

b) The determination of income attributable to non-resident Income Tax taxpayers without permanent establishment shall be effected in accordance with the provisions of Chapter IV of the recast of the Law of the Non-Resident Income Tax, approved by the Royal Legislative Decree 5/2004, of 5 March.

(c) For the calculation of income attributable to members of the entity under the income allocation regime, who are taxable persons in the tax on corporations or taxpayers for the income tax of non-residents with permanent establishment or permanent establishment other than natural persons, derived from property gains arising from the transfer of non-material elements to the development of economic activities, shall not be applicable established in the ninth transitional provision of this Law.

2. The part of the income attributable to the members, heirs, community members or unit-holders, taxpayers for this tax or the corporation tax, which are part of an entity in the system of allocation of income the foreign country shall be determined in accordance with the rule

.

3. When the entity in charge of income allocation obtains foreign source income from a country with which Spain does not have an agreement to avoid double taxation with a clause of exchange of income (a) information shall not be taken into account for any negative income exceeding the

positive income obtained in the same country and from the same source. The excess will be computed in the following four years according to what is stated in this rule

.

2. They shall be subject to withholding or taking into account, in accordance with the rules of this tax, the income which is paid or paid to the entities under the income allocation scheme, irrespective of whether all or one of its members is a taxpayer. for this Tax, taxable person of the Tax on Companies or taxpayer for the Income Tax of non-residents. Such withholding or income shall be deducted from the personal taxation of the partner, heir, community or participant, in the same proportion as the income is attributed.

3. The income shall be attributed to the partners, heirs, community members or members according to the rules or covenants applicable in each case and, if they do not consist of the tax administration in a feisty form, they shall be attributed equally.

4. The members of the entity on the basis of income attribution who are taxpayers for this tax may in their declaration practice the reductions provided for in Articles 23.2, 23.3, 26.2 and 32.1 of this Law.

5. The taxable persons of the corporate tax and the taxpayers for the income tax of non-resident persons with permanent establishment, who are members of an entity under the allocation of income that acquires shares or shares in collective investment institutions shall include in their taxable amount the amount of the income entered in the accounts or which are to be counted from those shares or shares. They shall also include in their taxable amount the amount of capital income derived from the transfer to third parties of own capital which would have been accrued in favour of the entity under the income allocation scheme.

Article 90. Reporting obligations of entities on the basis of income allocation.

1. Entities under the income allocation system shall submit a statement of information, with the content that is regulated by law, relating to the income to be attributed to their members, heirs, members, residents or non-residents. Spanish territory.

2. The obligation of information referred to in the preceding paragraph shall be fulfilled by the person who has the consideration of the representative of the entity under the allocation of income, in accordance with the provisions of Article 45.3 of Law 58/2003, of 17 December, General Tax Office, or its members contributing to this Tax or taxable persons for the Company Tax in the case of entities incorporated abroad.

3. Entities under the income allocation system shall notify their partners, heirs, community members or unit-holders, the total income of the entity and the income attributable to each of them in the terms that they regulate.

4. The Minister for Economic Affairs and Finance shall establish the model, as well as the time, place and form of presentation of the information declaration referred to in this Article.

5. They shall not be required to submit the information declaration referred to in paragraph 1 of this Article, entities under the allocation of income which do not carry out economic activities and whose income does not exceed EUR 3 000 per year.

Section 3. International Tax Transparency

Article 91. Allocation of income in the international tax transparency regime.

1. The taxpayer shall charge the positive income obtained by a non-resident entity in Spanish territory, as soon as such income belongs to one of the classes provided for in paragraph 2 of this Article and the circumstances are fulfilled. following:

(a) Which on its own or in conjunction with related entities as provided for in Article 16 of the recast of the Company Tax Act or with other taxpayers joined by kinship links, including the spouse, direct or collateral, consanguine or affinity to the second degree inclusive, have a share of 50% or more in the capital, own funds, results or voting rights of the entity resident on Spanish territory, on the date of the closure of the latter's social exercise.

The participation of the non-resident related entities shall be computed by the amount of indirect participation that it determines in the persons or entities related to residents in Spanish territory.

The amount of the positive income to be included shall be determined in proportion to the participation in the results and, failing that, to the participation in the capital, equity or voting rights of the entity.

(b) the amount satisfied by the non-resident entity in Spanish territory, attributable to one of the classes of income provided for in paragraph 2, by reason of a charge of a nature identical or similar to the Company Tax; is less than 75% of the one which would have been in accordance with the rules of the said tax.

2. Only the positive income from each of the following sources shall be charged:

(a) Entitlement to rustic and urban real estate or real rights that fall upon them, except that they are affected by business in accordance with the provisions of Article 29 of this Law or transferred to non-resident entities, belonging to the same group of companies of the holder, within the meaning of Article 42 of the Trade Code.

(b) Participation in own funds of any kind of entity and transfer to third parties of own capital, in accordance with Article 25 (1) and (2) of this Law.

Not included in this subparagraph shall be the positive income from the following financial assets:

1. The Tained to comply with statutory and regulatory obligations arising from the exercise of business activities.

2. º Those incorporating credit rights born from contractual relationships established as a result of the development of business activities.

3. The held as a result of the exercise of intermediation activities in official stock markets.

4. THOSE HELD BY CREDIT INSTITUTIONS AND INSURERS AS A RESULT OF THE EXERCISE OF THEIR BUSINESS ACTIVITIES, WITHOUT PREJUDICE TO THE PROVISIONS OF PARAGRAPH (c).

The positive income derived from the transfer to third parties of own capital shall be understood as arising from the carrying out of the credit and financial activities referred to in paragraph (c), where the transferor and the transferee belong a group of companies within the meaning of Article 42 of the Code of Commerce and the revenue of the transferee shall, at least 85%, carry out the business activities.

(c) Credit, financial, insurance and service provision activities, except those directly related to export activities, carried out, directly or indirectly, with persons or entities resident in Spanish territory and linked within the meaning of Article 16 of the recast of the Companies Tax Act, as soon as they determine tax deductible expenses on those resident persons.

No positive income shall be included when more than 50 percent of the income derived from credit, financial, insurance or service delivery activities, except those directly related to activities of the export, carried out by the non-resident entity, from transactions carried out with persons or entities not related within the meaning of Article 16 of the recast of the Companies Tax Act.

(d) Transmissions of the goods and rights referred to in paragraphs (a) and (b) that generate property gains and losses.

The income provided for in paragraphs (a), (b) and (d) above, obtained by the non-resident entity shall not be included as soon as it comes from or is derived from entities in which it participates, directly or indirectly, by more than 5%, when the following two requirements are met:

1. º That the non-resident entity directs and manages the units through the appropriate material and personal media organization.

2. That the income of the entities from which the income is obtained shall be at least 85 percent of the business activities.

For these purposes, it is understood that the income provided for in paragraphs (a), (b) and (d) which originated in entities that comply with the requirement 2. above and which are involved, shall be understood as coming from the exercise of business activities. directly or indirectly, by more than 5 percent by the non-resident entity.

3. The income provided for in paragraphs (a), (b) and (d) of the preceding paragraph shall not be charged where the sum of their amounts is less than 15 per cent of the total income or 4 per cent of the total income of the non-resident entity.

The limits set out in the preceding paragraph may relate to the income or income obtained by the whole of the non-resident entities in Spanish territory belonging to a group of companies within the meaning of the Article 42 of the Trade Code.

In no case will an amount exceed the total income of the non-resident entity.

The tax or tax of an identical or similar nature to the Company Tax effectively satisfied by the non-resident company shall not be imputed to the taxpayer's tax base by the income part to be included.

The positive income of each of the sources referred to in paragraph 2 shall be charged to the general tax base in accordance with the provisions of Article 45 of this Law.

4. The taxpayers referred to in paragraph 1 (a) shall be required to participate directly in the non-resident entity or indirectly through another or other non-resident entities. In the latter case, the amount of the positive income shall be that corresponding to the indirect participation.

5. The imputation shall be made in the tax period comprising the day on which the non-resident entity in Spain has concluded its social exercise which, for these purposes, cannot be understood as a duration exceeding 12 months, unless the the taxpayer chooses to make such an inclusion in the tax period which includes the day on which the accounts for that financial year are approved, provided that no more than six months after the date of the conclusion of the same.

The option will be stated in the first tax return in which it has to take effect and must be maintained for three years.

6. The amount of the positive income to be charged in the tax base shall be calculated in accordance with the principles and criteria laid down in the recast of the Companies Tax Act, and in the other provisions relating to the tax on Companies for the determination of the tax base. Total income shall mean the amount of the tax base resulting from the application of these same criteria and principles.

For these purposes, the exchange rate in force at the close of the social exercise of the non-resident entity in Spanish territory shall be used.

7. Dividends or shares in profits shall not be charged on the part corresponding to the positive income that has been charged. The same treatment will apply to dividends on account.

In the case of distribution of reserves, the designation contained in the social agreement shall be considered, the last amounts paid to those reserves being applied.

A single positive income may only be imputed for one time, whatever the form and entity in which it manifests.

8. The tax or levy effectively paid abroad by reason of the distribution of dividends or shares in profits shall be deductible from the liquid quota, in accordance with an agreement to avoid double taxation or with the domestic legislation of the country or territory concerned, in the part corresponding to the positive income included in the tax base.

This deduction will be practiced even if the taxes correspond to tax periods other than the one in which the inclusion was made.

In no case will the satisfied taxes be deducted in countries or territories considered as tax havens.

This deduction may not exceed the full quota that in Spain would be payable for the positive income attributed to the tax base.

9. In order to calculate the income derived from the transmission of the direct or indirect participation, the rules contained in paragraph 7 (a) of the transitional provision twenty-second of the recast text of the Tax Law shall be used. Companies in relation to the positive income attributed to the tax base. The social benefits referred to in that provision shall be those corresponding to the positive income attributed.

10. The taxpayers to whom this article applies shall submit jointly with the declaration for the Income Tax of the Physical Persons the following data relating to the non-resident entity in the territory Spanish:

a) Social name or reason and place of the registered office.

b) Relationship of administrators.

c) Balance and profit and loss account.

d) Amount of positive income to be charged.

e) Justification of the taxes satisfied with respect to the positive income to be imputed.

11. Where the participating entity is resident in countries or territories considered as tax havens, it shall be presumed that:

(a) The circumstance provided for in paragraph 1 (b) is fulfilled.

(b) The income obtained by the participating entity comes from the sources of income referred to in paragraph 2.

c) The income obtained by the participating entity is 15 percent of the acquisition value of the holding.

The presumptions contained in the preceding paragraphs will be proof to the contrary.

The assumptions contained in the preceding paragraphs shall not apply when the participating entity consolidates its accounts, in accordance with Article 42 of the Trade Code, with some or some of the entities forced to include.

12. The provisions of this Article shall be without prejudice to the provisions of international treaties and conventions which have become part of the internal order and in Article 4 of this Law.

13. This Article shall not apply where the non-resident entity in Spanish territory is resident in another Member State of the European Union, except in a country or territory regarded as a tax haven.

Section 4. Image Rights

Article 92. Imputation of rents for the assignment of image rights.

1. The amount referred to in paragraph 3 shall be charged by the taxpayer in its taxable base of the Income Tax on the Physical Persons:

(a) That they have granted the right to the exploitation of their image or have consented or authorized their use to another person or entity, resident or non-resident. For the purposes of this paragraph, it shall be nonchalant that the assignment, consent or authorization would have occurred when the natural person was not a taxpayer.

b) To provide their services to a person or entity in the field of an employment relationship.

(c) The person or entity with whom the taxpayer maintains the employment relationship, or any other person or entity linked to them in the terms of Article 16 of the recast of the Company Tax

Act, has obtained, by means of concerted acts with persons or entities resident or non-resident, the transfer of the right to the holding or the consent or authorisation for the use of the image of the natural person.

2. The imputation referred to in the preceding paragraph shall not proceed when the performance of the work obtained in the tax period by the natural person referred to in the first subparagraph of the preceding paragraph under the employment relationship is not less than 85% of the sum of the above returns the total consideration by the person or entity referred to in paragraph (c) of the preceding paragraph by the acts referred to therein.

3. The amount to be imputed shall be the value of the consideration that he has satisfied prior to the employment of the physical person's employment services or that the person or entity referred to in paragraph 1 (c) is required to satisfy. the acts referred to therein. This amount shall be increased by the amount of the revenue referred to in paragraph 8 and shall be reduced by the value of the consideration obtained by the natural person as a result of the transfer, consent or authorization to which the person is assigned. referred to in paragraph 1, subparagraph (a), provided that the same has been obtained in a tax period in which the natural person who holds the image is a contributor to that tax.

4. 1. Where the imputation proceeds, it shall be deductible from the liquid quota of the Income Tax of the Physical Persons corresponding to the person referred to in the first subparagraph of paragraph 1:

(a) Tax or taxes of a nature identical or similar to the Income Tax of the Physical Persons or on Societies which, satisfied abroad by the person or entity not resident first transferee, corresponds to the part of the net income derived from the amount to be included in its tax base.

(b) The Income Tax of the Physical Persons or on Companies which, satisfied in Spain by the person or entity resident first transferee, corresponds to the part of the net income derived from the amount to be included in its rateable value.

(c) The tax or levy actually paid abroad by reason of the distribution of dividends or shares in profits distributed by the first transferee, in accordance with an agreement to avoid double taxation taxation or in accordance with the domestic law of the country or territory concerned, in the part corresponding to the amount included in the tax base.

(d) The tax satisfied in Spain, where the natural person is not resident, corresponding to the consideration obtained by the natural person as a result of the first assignment of the right to the exploitation of his or her image consent or authorisation for use.

e) Tax or taxes of a nature identical or similar to the Income Tax of the Physical Persons satisfied abroad, corresponding to the consideration obtained by the natural person as a result of the the first assignment of the right to the exploitation of his or her image or of the consent or authorisation for its use.

2. º These deductions will be practiced even if the taxes correspond to tax periods other than that in which the imputation was made.

In no case will the satisfied taxes be deducted in countries or territories considered as tax havens.

These deductions may not, as a whole, exceed the full share corresponding to the income attributed to Spain in the tax base in Spain.

5. 1. The imputation shall be carried out by the natural person in the tax period corresponding to the date on which the person or entity referred to in paragraph 1 (c) makes the payment or satisfies the agreed consideration, unless that tax period the natural person is not a taxpayer for this tax, in which case the inclusion must be made in the first or in the last tax period for which it is to be taxed for this tax, as the case may be.

2. The imputation shall be made on the basis of assessment, as provided for in Article 45 of this Law.

3. For these purposes, the exchange rate in force on the day of payment or satisfaction of the agreed consideration by the person or entity referred to in paragraph 1 (c) shall be used.

6. 1. No dividends or participations in profits distributed by the latter shall not be charged in the personal tax of the members of the first transferee in the part corresponding to the amount which has been imputed by the natural person to which he refers. the first subparagraph of paragraph 1. The same treatment will apply to dividends on account.

In the case of distribution of reserves, the designation contained in the social agreement shall be considered, the last amounts paid to those reserves being applied.

2. º The dividends or shares referred to in the ordinal 1. previous shall not entitle the international double taxation deduction.

3. The same amount may only be imputed for one time, whatever the form and the person or entity in which it manifests.

7. The provisions of the foregoing paragraphs of this Article shall be without prejudice to the provisions of international treaties and conventions which have become part of the internal order and in Article 4 of this Law.

8. Where the imputation referred to in paragraph 1 applies, the person or entity referred to in paragraph (c) of the same shall make an income on account of the consideration of cash or in-kind services to persons or entities not residents for the acts mentioned therein.

If the consideration is in kind, its valuation shall be carried out in accordance with the provisions of Article 43 of this Law, and revenue shall be applied to such value.

The person or entity referred to in paragraph 1 (c) shall provide income statement in the form, instalments and forms established by the Minister for Economic Affairs and Finance. At the time of filing the declaration you must determine your amount and make your income to the Treasury.

Reglamentarily will regulate the type of income to account.

Section 5 Special Regime for Displaced Workers

Article 93. Special tax regime applicable to workers posted on Spanish territory.

The natural persons who acquire their tax residence in Spain as a result of their displacement to Spanish territory may choose to pay for the Income Tax of non-residents, maintaining the condition of taxpayers for the Income Tax of the Physical Persons, during the tax period in which the change of residence is effected and during the following five tax periods, when, in the terms that are established The following conditions are met:

a) That they have not been resident in Spain during the 10 years prior to their new displacement to Spanish territory.

b) That the movement to Spanish territory occurs as a result of a contract of employment. This condition shall be deemed to be fulfilled when an employment relationship, ordinary or special, or statutory with an employer in Spain is initiated, or when the posting is ordered by the employer and there is a letter of travel from the employer, and the The taxpayer does not obtain income that would be qualified as obtained through a permanent establishment located in Spanish territory.

c) That the work be carried out effectively in Spain. This condition shall be deemed to be fulfilled even if part of the work is carried out abroad, provided that the sum of the remuneration corresponding to the said works has or not the consideration of income obtained in Spanish territory Article 13.1.c) of the recast text of the Non-Resident Income Tax Act, approved by the Royal Legislative Decree 5/2004, of 5 March, does not exceed 15 percent of all the consideration of the work received in each calendar year. Where, pursuant to the contract of employment, the taxpayer assumes duties in another company of the group, in the terms laid down in Article 42 of the Code of Commerce, outside the Spanish territory, the above limit shall be raised to the 30 percent.

Where the amount of the specific remuneration for the work carried out abroad cannot be credited, the calculation of the remuneration for such work shall be taken into consideration. the days that the worker has actually been displaced abroad.

(d) Such works are carried out for a company or entity resident in Spain or for a permanent establishment located in Spain of a non-resident entity in Spanish territory. This condition shall be understood when the services are in the interest of a company or entity resident in Spain or of a permanent establishment located in Spain of a non-resident entity in Spain. In the event that the posting took place within a group of undertakings, within the terms laid down in Article 42 of the Trade Code, and only for these purposes, the worker must be recruited by the company of the group resident in Spain or that there is a displacement to Spanish territory ordered by the employer.

e) That the income of the work resulting from the employment relationship is not exempt from taxation of the Income Tax of non-residents.

The taxpayer who opts for the taxation of Non-Resident Income Tax will be subject to a real obligation in the Heritage Tax.

The Minister of Economy and Finance will establish the procedure for the exercise of the option mentioned in this section.

Section 6. Second Collective Investment Institutions

Article 94. Taxation of the partners or members of the collective investment institutions.

1. Taxpayers who are members or members of collective investment institutions governed by Law 35/2003 of 4 November of collective investment institutions shall, in accordance with the rules of this Law, charge the following rents:

(a) The property gains or losses obtained as a result of the transmission of the shares or units or the repayment of the shares or units. Where homogeneous values are present, those transmitted or reimbursed by the taxpayer shall be deemed to be those that they acquired in the first place.

When the amount obtained as a result of the repayment or transfer of units or shares in collective investment institutions is intended, in accordance with the procedure to be established, to the acquisition or subscription of other shares or units in collective investment institutions, shall not account for the gain or loss of assets, and the new shares or shares subscribed shall retain the value and date of acquisition of shares or shares/units transmitted or repaid, in the following cases:

1. º In the repayments of shares in collective investment institutions that have the consideration of investment funds.

2. In the transmissions of shares of collective investment institutions with a societarian form, provided that the following two conditions are met:

The number of members of the collective investment institution whose shares are transmitted is greater than 500.

That the taxpayer has not participated, at some point within 12 months prior to the date of the transfer, in more than 5 percent of the capital of the collective investment institution.

The deferral regime provided for in the second subparagraph of this paragraph (a) shall not apply where, by any means, the amount resulting from the reimbursement or transmission of the funds is made available to the taxpayer. shares or units of collective investment institutions. Nor shall the said system of deferral apply where the transfer or acquisition is intended to be representative of the assets of the collective investment institutions referred to in this Article. consideration of investment funds listed in accordance with Article 49 of the Regulation of Law 35/2003 of 4 November of collective investment institutions approved by Royal Decree 1309/2005 of 4 November 2005.

b) Results distributed by collective investment institutions.

2. The scheme provided for in paragraph 1 of this Article shall apply to the members or members of collective investment institutions governed by Council Directive 85 /611/EEC of 20 December 1985, other than those provided for in the Article 95 of this law, incorporated and domiciled in a Member State of the European Union and registered in the special register of the National Securities Market Commission, for the purpose of marketing by entities resident in Spain.

For the application of the provisions of the second subparagraph of paragraph 1.a. the following requirements shall be required:

(a) The acquisition, subscription, transmission and redemption of shares and units of collective investment institutions will be carried out through marketing entities registered with the National Market Commission Values.

(b) Where the collective investment institution is structured in compartments or sub-funds, the number of partners and the maximum percentage of participation provided for in paragraph 1.a) .2. above shall be understood as referring to each Compartment or sub-fund marketed.

3. The determination of the number of members and the maximum percentage of participation in the capital of the collective investment institutions shall be carried out in accordance with the procedure to be established. For these purposes, information regarding the number of partners, their identity and their share of participation shall not be considered as relevant.

Article 95. Taxation of members or members of collective investment institutions incorporated in countries or territories considered as tax havens.

1. Taxpayers who participate in collective investment institutions incorporated in countries or territories considered as tax havens shall be charged in the tax base in accordance with the provisions of Article 45 of this Law. positive between the liquidative value of the share on the day of the closing of the tax period and its acquisition value.

The amount charged will be considered as the largest acquisition value.

2. The profits distributed by the collective investment institution shall not be imputed and shall bear the value of the acquisition of the holding.

3. The difference referred to in paragraph 1 shall be presumed to be 15% of the acquisition value of the share or share.

4. The income derived from the transmission or redemption of the shares or units shall be determined in accordance with Article 37 (1) (c) of this Law, and it must be taken for these purposes as the acquisition value to be of the implementation of the provisions of the preceding paragraphs.

TITLE XI

Tax Management

CHAPTER I

Statements

Article 96. Obligation to declare.

1. Taxpayers shall be obliged to submit and sign a declaration for this Tax, subject to the limits and conditions which they shall regulate.

2. However, taxpayers shall not be required to declare income from the following sources exclusively on individual or joint taxation:

a) Integration of the work, with the limit of 22,000 euros per year.

(b) Integrated capital gains and capital gains subject to withholding or entry into account, with a joint limit of EUR 1,600 per year.

(c) Real estate charges under Article 85 of this Law, full income from capital not subject to withholding tax on Treasury bills and grants for the acquisition of protective housing official or price-priced, with a joint limit of EUR 1,000 per year.

In no case will taxpayers be required to exclusively obtain full income from work, capital or economic activities, as well as property gains, with the joint limit of 1,000 euros. Annual and property losses of less than EUR 500.

3. The limit referred to in subparagraph (a) of paragraph 2 above shall be EUR 10,000 for taxpayers who receive full income from work in the following cases:

a) When they come from more than one payer. However, the limit shall be EUR 22,000 per year in the following cases:

1. No. If the sum of the amounts received from the second and remaining payers, in order of amount, does not exceed the amount of 1,500 euros per year.

2. In the case of taxpayers whose only income from the work consists of the passive benefits referred to in Article 17 (2) (a) of this Law and the determination of the applicable rate of withholding in accordance with the special procedure to be established.

(b) Where compensatory pensions are received from the spouse or annuities for food other than those provided for in Article 7 of this Law.

(c) Where the payer of the income of the work is not obliged to withhold in accordance with the provisions of the regulations.

d) When you receive full income from work subject to fixed rate of retention.

4. In any case, taxpayers who have the right to deduct by investment in housing, by way of business, by double taxation or by making contributions to protected assets of persons with a pension, shall be obliged to declare disability, pension schemes, insured pension schemes or social welfare insurance schemes, business social security schemes and dependency insurance schemes which reduce the tax base, under the conditions laid down regulentarily.

5. The models of declaration shall be approved by the Minister for Economic Affairs and Finance, which shall lay down the form and time limits for their submission, as well as the assumptions and conditions for the submission of the declarations by telematic means.

6. The Minister for Economic Affairs and Finance may approve the use of simplified or special declaration procedures.

The declaration will be made in the form, deadlines and forms established by the Minister of Economy and Finance.

Taxpayers must complete all the data that affects them contained in the declarations, accompany the documents and supporting documents to be established and present in the places to be determined by the Minister of State. Economy and Finance.

7. The successors of the deceased shall be obliged to comply with the tax obligations outstanding for this Tax, except for the penalties, in accordance with Article 39.1 of Law 58/2003 of 17 December, General Tax.

8. Where taxpayers have no obligation to declare, public administrations may not require the provision of declarations for this tax in order to obtain grants or any public benefits, or in any way condition these to the presentation of such statements.

9. The General Budget Law of the State may amend the provisions of the preceding paragraphs.

Article 97. Self-validation.

1. The taxpayers, while submitting their declaration, must determine the corresponding tax liability and enter it in the place, form and time limits determined by the Minister of Economy and Finance.

2. The income of the amount resulting from the self-settlement may be split only in the manner determined in the implementing regulation of this Law.

3. The payment of the tax liability may be made by the delivery of goods belonging to the Spanish Historical Heritage that are registered in the General Inventory of Furniture or in the General Register of Goods of Cultural Interest, according to the provisions of Article 73 of Law 16/1985 of 25 June of the Spanish Historical Heritage.

4. The successors of the deceased shall be obliged to comply with the tax obligations outstanding for this tax, excluding the penalties, in accordance with Article 39.1 of Law 58/2003 of 17 December, General Tax.

5. In the case provided for in Article 14 (4) of this Law, the successors of the deceased may apply to the tax authorities for the division of the part of the tax liability corresponding to the income referred to in that provision, calculated applying the type regulated in Article 80.2 of this Act.

The application shall be made within the statutory period of the declaration relating to the death tax period and shall be granted on the basis of the tax periods to which the said income is to be charged in case of that it had not been produced with the maximum limit of four years under the conditions to be determined by regulation.

6. The married and non-legally separated taxpayer who is required to file a declaration for this Tax and whose self-settlement will be allowed, at the time of filing his declaration, may request the suspension of the income of the debt tax, without interest on late payment, at a level equal to or less than the refund to which your spouse is entitled to this same tax.

The request to suspend the income of the tax liability that meets all the requirements listed in this paragraph will determine the precautionary suspension of income until it is recognized by the tax administration. the right to return in favour of the other spouse. The remainder of the tax liability may be broken down in accordance with paragraph 2 of this Article.

The requirements for obtaining the precautionary suspension will be as follows:

(a) The spouse whose self-settlement is to be returned shall waive the recovery of the repayment up to the amount of the debt whose suspension has been requested. You must also accept that the amount to which you resign applies to the payment of that debt.

b) The debt whose suspension is requested and the return intended must correspond to the same tax period.

(c) Both autoliquidations must be submitted simultaneously within the time limit set by the Minister for Economic Affairs and Finance.

(d) The spouses may not be eligible for the current account system regulated by Royal Decree 1108/1999 of 25 June.

e) The spouses must be aware of the payment of their tax obligations under the terms of the Order of 28 April 1986 on the grounds for compliance with tax obligations.

The Administration shall notify both spouses, within the period provided for in Article 103 (1) of this Law, of the agreement to be adopted with expression, if any, of the extinguishing debt and of the returns or revenues. (s).

Where the suspension does not apply for failure to meet the above requirements, the Administration shall apply provisional settlement to the taxpayer who requested the suspension for the amount of the debt subject to the application. together with the interest on late payment calculated from the day following the expiry date of the time limit set for the submission of the reverse charge until the settlement date.

The effects of the recognition of the right to repayment in respect of the debt whose suspension would have been requested are as follows:

a) If the recognized return is equal to the debt, it will be extinguished, as will the right to the return.

(b) If the recognised return is higher than the debt, it shall be declared extinct and the Administration shall return the difference between the two amounts in accordance with Article 103 of this Law.

(c) If the recognised return is lower than the debt, the debt shall be declared extinct on the concurrent part, with the tax administration taking the provisional liquidation of the taxpayer who applied for the suspension in the amount of the difference, also requiring the interest of late payment calculated from the day following the expiry of the period laid down for the submission of the reverse charge until the date of settlement.

It will be considered that there is no lucrative transmission for tax purposes between the spouses by waiving the return of one of them for application to the payment of the other's debt.

The procedure referred to in this paragraph may be regulated.

Article 98. Draft declaration.

1. The tax authorities may request that the tax authorities send them, for information purposes only, a draft declaration, without prejudice to the compliance with the provisions of Article 97 (1) of this Law, provided that obtain income from the following sources exclusively:

a) Workups of the job.

(b) Capital flows subject to withholding or entry into account, as well as derivatives of Treasury bills.

(c) Imputation of real estate income provided that it is, at most, two properties.

d) Property gains subject to withholding or income on account, as well as grants for the purchase of habitual housing.

2. Where the tax administration lacks the information necessary for the preparation of the draft declaration, it shall make available to the taxpayer the data which may be provided by the establishment of the tax declaration.

You will not be able to subscribe or confirm the draft statement of the contributors that are in any of the following situations:

(a) Taxpayers who have obtained exempt income with progressiveness under agreements to avoid double taxation signed by Spain.

(b) Taxpayers who compensate negative items for previous years.

(c) Taxpayers who intend to regularise tax situations arising from previously filed statements.

(d) Taxpayers who are entitled to the international double taxation deduction and exercise such right.

3. The tax administration shall forward the draft declaration, in accordance with the procedure laid down by the Minister for Economic Affairs and Finance.

The lack of receipt of the same will not exonerate the taxpayer from fulfilling its obligation to file a statement.

4. Where the taxpayer considers that the draft declaration reflects its tax situation for the purposes of this tax, it may subscribe or confirm it under the conditions laid down by the

Minister for Economic Affairs and Finance. In this case, it shall be considered as a declaration by this Tax for the purposes referred to in Article 97 (1) of this Law.

The presentation and the income that, if any, will be required, in accordance with the provisions of the aforementioned Article 97, in the place, form and deadlines determined by the Minister of Economy and Finance.

5. Where the taxpayer considers that the draft declaration does not reflect its tax situation for the purposes of this Tax, it shall submit the corresponding declaration, in accordance with the provisions of Article 97 of this Law. However, in cases that are determined to be regulated, you may request the rectification of the draft.

6. The model of the draft declaration shall be approved by the Minister for Economic Affairs and Finance, who shall establish the time limit and the place of presentation, as well as the assumptions and conditions in which the application may be submitted by means of telematic or telephone.

CHAPTER II

Payments to account

Article 99. Obligation to make payments on account.

1. In the Tax on the Income of the Physical Persons, the payments to account that, in any case, will have the consideration of tax liability, may consist of:

a) Retentions.

b) Income to account.

c) Fracked payments.

2. Entities and legal persons, including entities in the allocation of income, who satisfy or pay income subject to this tax, shall be obliged to carry out withholding tax and income in respect of payment of the tax on The Income of the Physical Persons corresponding to the recipient, in the amount that is determined to be regulated and to enter the amount in the Treasury in the

cases and in the form that are established. Taxpayers shall be subject to the same obligations as taxable persons who carry out economic activities in respect of income which they satisfy or pay in the exercise of those activities, as well as natural, legal and other persons. entities not resident in Spanish territory, operating in the Spanish territory by way of permanent establishment, or without permanent establishment in respect of the performance of the work they satisfy, as well as other yields subject to retention or income as a deductible expense for the collection of the income to which it refers Article 24 (2) of the recast text of the Non-Resident Income Tax Act.

When an entity, resident or non-resident, satisfies or pays income from the work to taxpayers who provide their services to a resident entity linked to that entity in the terms provided for in Article 16 of the text recast of the Company Tax Act or a permanent establishment based in Spanish territory, the entity or the permanent establishment in which the taxpayer provides its services, shall carry out the retention or entry into account.

The designated representative in accordance with the provisions of Article 86.1 of the recast of the Law on the Management and Supervision of Private Insurance, acting on behalf of the insurance undertaking operating under the Free Trade Agreement the provision of services, shall be subject to retention and entry into account in relation to operations carried out in Spain.

Pension funds domiciled in another Member State of the European Union developing in Spain employment pension schemes subject to Spanish legislation, as provided for in Directive 2003 /41/EC of the European Parliament The European Council of 3 June 2003 on the activities and supervision of occupational pension funds will be required to appoint a representative with a tax residence in Spain to represent them for the purposes of the tax obligations. This representative shall be responsible for holding and taking into account the operations carried out in Spain.

In no case will they be obliged to practice withholding or taking into account the diplomatic missions or consular offices in Spain of foreign states.

3. The income derived from the Treasury bills and the transmission, exchange or amortisation of the securities of public debt which were not subject to withholding tax prior to 1 January 1999 shall not be subject to withholding tax. Regulations may be exempted from withholding or taking into account certain income.

Neither will be subject to withholding or income-to-account the yield arising from the distribution of the share or equity issue premium, or the reduction of capital. The obligation to practise retention or entry into account in these cases may be laid down.

4. In any event, the persons required to retain or to enter into account shall assume the obligation to make the entry into the Treasury, without the failure of that obligation to excuse them from this.

5. The recipient of income on which this tax is to be withheld shall be calculated by the full consideration.

When the retention has not been practiced or has been for an amount less than due, for cause imputable to the retainer or obliged to enter into account, the recipient will deduct from the quota the amount that should have been withheld.

In the case of legally established remuneration that would have been met by the public sector, the recipient will only be able to deduct the amounts effectively withheld.

When the full consideration cannot be proven, the tax administration may compute as an amount in full an amount that, once the withholding tax has been deducted from it, yields the effectively perceived amount. In this case, the difference between what was actually perceived and the full amount will be deducted from the fee.

6. Where there is an obligation to enter into account, it shall be presumed that such entry has been made. The taxpayer shall include in the tax base the valuation of the remuneration in kind, in accordance with the rules laid down in this law, and the income on account, unless it has been passed on to it.

7. Taxpayers who carry out economic activities shall be obliged to make payments on account of the income tax of the physical persons, self-employed and entering their amount under the conditions which they regulate. determine.

This obligation may be excepted from this obligation to those taxpayers whose income has been subject to withholding or income on account of the percentage that is set for that purpose.

The split payment for entities under the income allocation scheme, which shall carry out economic activities, shall be made by each of the partners, heirs, community members or unit-holders, to whom the income is to be attributed. of this nature, in proportion to their participation in the benefit of the entity.

8. 1. When the taxpayer acquires his/her status for a change of residence, they will have the consideration of payments on account of this Tax the deductions and income on account of the Income Tax of non-residents, practiced during the period the tax on the change of residence.

2. No employees who are not taxpayers for this tax, but who will acquire such a condition as a result of their displacement to Spanish territory, will be able to communicate to the tax administration such a circumstance, with a record of the date of entry into that territory, to the exclusive effects of the paying of the income of the work being considered as taxpayers by this tax.

In accordance with the procedure to be established, the tax administration shall issue a document of credit to the employed persons who request it, which shall inform the payer of their income. of the work, residents or permanent establishment in Spain, and in which the date from which the withholding and income to account are practiced by this Tax, taking into account for the calculation of the type of retention the indicated in paragraph 1. above.

9. Where, by virtue of a judicial or administrative decision, an income subject to withholding tax or withholding tax is to be met, the payer must practise the income on the full amount which he is obliged to satisfy and must enter its amount in the Treasury, as provided for in this Article.

10. The taxpayer shall report to the payer of income that is subject to withholding or income from whom it is a recipient, the determining circumstances for the calculation of the withholding or income from the income, in the terms that are establish regulations.

11. Account shall be taken of payments on account of this tax for the withholding tax actually applied pursuant to Article 11 of Council Directive 2003 /48/EC of 3 June 2003 on the taxation of the income from savings in the form of interest payments.

Article 100. Rules on payments to account, transmission and formal obligations relating to financial assets and other transferable securities.

1. In the case of transfers or repayments of shares or units representing the capital or assets of the collective investment institutions, they shall be obliged to carry out withholding tax or income tax, in cases and in the form to be established, the managing, managing, depository, marketing or other entities in charge of the operations referred to above, as well as the representative appointed in accordance with the provisions of Article 55.7; and the second provision of Law 35/2003, of 4 November, of institutions of collective investment, acting on behalf of the manager operating under the freedom to provide services.

The obligation to make payments on account of the transfer of shares and units of collective investment institutions may be established, with the limit of 20 percent of the income obtained in the Such transmissions.

2. For the purposes of the obligation to retain on the implied returns of capital, account of this Tax, this withholding shall be made by the following persons or entities:

(a) In the returns obtained in the transmission or redemption of the financial assets on which the obligation to retain was established, the holding shall be the issuing institution or the institutions. financial management of the operation.

(b) In returns obtained in transmissions relating to transactions that are not documented in securities, as well as in transmissions entrusted to a financial institution, the retainer shall be the bank, box or entity acting on behalf of the institution. Account of the transmittent.

(c) In cases not listed in the preceding paragraphs, the intervention of the public purse shall be compulsory for the relevant retention.

3. In order to transfer or obtain the repayment of securities or assets with implied returns to be withheld, the prior acquisition of such securities or assets shall be credited with the intervention of the holders or institutions. financial referred to in the previous paragraph, as well as the price at which the transaction was made.

The issuer or financial institutions in charge of the transaction which, in accordance with the preceding paragraph, are not required to repay the holder of the title or asset, shall constitute such a deposit at the disposal of the judicial authority.

4. The public authorities involved in the issuance, subscription, transmission, exchange, conversion, cancellation and redemption of public effects, securities or any other securities and financial assets, as well as in transactions relating to (a) the right to communicate such transactions to the tax authorities by submitting a nominal relationship of the interveners with an indication of their domicile and the number of tax identification, class and number of the public effects, securities, securities and assets, as well as the price and date of the transaction; within the time limits and in accordance with the model determined by the Minister for Economic Affairs and Finance.

The same obligation shall be on credit institutions and financial institutions, securities companies and agencies, other financial intermediaries and any natural or legal person who is engaged in habituality. to the intermediation and placement of public effects, securities or any

other securities of financial assets, indices, futures and options on them; including documents by means of account, in respect of transactions involving, directly or indirectly, the acquisition or placement of resources through any class of values or effects.

The management companies of collective investment institutions shall also be subject to this reporting obligation in respect of shares and units in such institutions.

The reporting obligations set out in this paragraph shall be understood to be fulfilled in respect of the transactions subject to the withholding tax referred to in this paragraph, with the presentation of the recipients ' ratio, adjusted to the official model. of the corresponding annual withholding summary.

5. The issuing of certificates, certificates or documents representing the acquisition of precious metals or precious objects, philatelic value stamps or pieces of numismatic value, by natural persons or by natural persons, shall be communicated to the tax authorities. legal entities that are used to promote investment in such securities.

The provisions of paragraphs 2 and 3 above shall be applicable in relation to the obligation to retain or to enter into account to be established in a regulatory manner with respect to the transmission of financial performance assets. explicit.

Article 101. Amount of the payments on account.

1. Deductions and income on account of income from work arising from employment or statutory and pension and pension liabilities shall be fixed in a regulation, taking as a reference the amount which would result from the application of the rates on the basis of retention or income on account.

To determine the percentage of withholding or income to be taken into account the personal and family circumstances and, where applicable, the income of the spouse and the reductions and deductions, as well as the remuneration, may be taken into consideration. predictable variables, in terms that are regulated in regulation.

For these purposes, variable remuneration shall be presumed to be expected at least for those obtained in the previous year, unless circumstances permit an objective credit to be given in an objective manner.

The percentage of retention or income to account will be expressed in whole numbers, with rounding to the nearest.

2. The percentage of retention and income on account of the income of the work that is perceived by the status of administrators and members of the boards of directors, of the boards they do their times, and other members of other bodies representative, it will be 35 percent. This percentage of withholding and income shall be reduced by half in the case of yields obtained in Ceuta or Melilla which are entitled to the deduction in the quota provided for in Article 68.4 of this Law.

3. The rate of retention and income on account of income from work derived from teaching courses, conferences, colloquia, seminars and the like, or derived from the elaboration of literary, artistic or scientific works, provided that Cede the right to their exploitation, will be 15 percent. This percentage shall be reduced by half in the case of income from work obtained in Ceuta and Melilla which are entitled to the deduction in the quota provided for in Article 68.4 of this Law.

4. The percentage of retention and income on account of capital income will be 18 percent. In the case of the yields provided for in Article 25 (1) (a) and (b) of this Law, the retention basis shall be constituted by the full consideration, without any consideration being given to the exemption provided for in Article 25 (1). in point (y) of Article 7 of this Law.

This percentage will be halved in the case of income that is entitled to the deduction in the quota provided for in Article 68.4 of this Law, from companies that operate effectively and materially in Ceuta or Melilla and with domicile and exclusive social object in those Cities.

5. The percentages of retentions and income on account of income derived from economic activities shall be:

(a) 15%, in the case of the performance of professional activities established on a regulatory basis.

However, the percentage of 7 percent will be applied to the performance of professional activities that are regulated.

These percentages will be halved when yields are entitled to the deduction in the quota provided for in Article 68.4 of this Act.

(b) 2% in the case of yields from agricultural or livestock activities, except in the case of livestock farming and poultry farming activities, in which 1% shall apply.

c) 2 percent in the case of yields from forestry activities.

(d) 1% for other business activities that determine their net performance by the objective estimation method, in the assumptions and conditions that they regulate are established.

6. The percentage of payments to account on the property gains arising from the transmissions or repayments of shares and units of collective investment institutions shall be 18 per cent.

No retention shall be applied where it is not necessary to compute the wealth gain, as provided for in Article 94.1 (a) of this Act.

The percentage of retention and income on account of the property gains derived from the forest exploitation of the neighbors in public funds that will be established, will be 18 per 100.

7. The percentage of retention and income on account of prizes that are awarded as a result of participation in games, contests, raffles or random combinations, whether or not they are linked to the offer, promotion or sale of certain goods, products or services, will be 18 percent.

8. The percentage of retention and income on account of income from the lease or sublease of urban real estate, whatever their qualification, will be 18 percent.

This percentage will be halved when the real estate is located in Ceuta or Melilla in the terms provided for in Article 68.4 of this Law.

9. The rate of retention and income on account of income from intellectual property, industrial property, the provision of technical assistance, the leasing of movable property, business or mines, and the sublease on Previous goods, whatever their qualification, will be 18 percent.

10. The rate of retention and income on account of income from the transfer of the right to the exploitation of the right of image, whatever their qualification, shall be 24%. The percentage of income on account in the assumption provided for in Article 92.8 of this Law will be 18 percent.

11. The percentages of the split payments to be practised by taxpayers engaged in economic activities shall be as follows:

(a) 20%, in the case of activities that determine the net yield by the direct estimation method, in any of its modalities.

(b) 4%, in the case of activities that determine the net yield by the objective estimation method. The percentage will be 3 per cent when it comes to activities that have only one salaried person, and 2 per cent when salaried staff are not available.

(c) 2%, in the case of agricultural, livestock, forestry or fishing activities, whatever the method of determining the net yield.

These percentages will be halved for economic activities that are entitled to the deduction in the quota provided for in Article 68.4 of this Act.

CHAPTER III

Provisional Liquidations

Article 102. Provisional settlement.

The tax administration may issue the provisional settlement that proceeds in accordance with the provisions of Article 101 of Law 58/2003 of December 17, General Tax.

Article 103. Return derived from the rules of the tribute.

1. When the sum of the deductions, income to account and payments broken down by this Tax, as well as the dues of the Income Tax of non-residents referred to in paragraph d) of Article 79 of this Law and, if applicable, of the deduction provided for in Article 81 of this Law, whichever is greater than the amount of the quota resulting from the reverse charge, the tax authorities shall, where appropriate, apply provisional liquidation within six months of the end of the period laid down in that law. for the presentation of the declaration.

When the declaration has been filed out of time, the six months referred to in the preceding paragraph shall be computed from the date of its filing.

2. Where the quota resulting from the reverse charge or, as the case may be, the provisional liquidation, is less than the sum of the amounts actually withheld and the payments on account of this tax, as well as of the taxes on the The income of non-residents referred to in paragraph (d) of Article 79 of this Law and, where applicable, of the deduction provided for in Article 81 of this law, the tax administration will proceed to return the excess over the said quota, without prejudice to the practice of subsequent, provisional or final settlements, which proceed.

3. If the provisional liquidation has not been carried out within the period laid down in paragraph 1 above, the tax administration shall, without prejudice to the practice of the tax administration, return the excess over the autoliquid quota. provisional or final final settlements which may result.

4. After the period laid down in paragraph 1 of this Article without the payment of the refund for reasons not attributable to the taxpayer being ordered, the amount and form of the interest for the delay shall be applied to the amount outstanding. provided for in Articles 26.6 and 31 of Law 58/2003 of 17 December 2003, General Tax.

5. The refund procedure shall be that provided for in Articles 124 to 127, inclusive, of Law 58/2003, of 17 December, General Tax, and in its implementing legislation.

CHAPTER IV

Formal Obligations

Article 104. Formal obligations of taxpayers.

1. The taxpayers of the Income Tax of the Physical Persons shall be obliged to keep, during the limitation period, the supporting documents and documents of the operations, income, expenses, income, reductions and deductions of any type to be included in their declarations.

2. For the purposes of this Act, taxpayers who develop business activities whose performance is determined by the direct estimation method shall be required to keep accounts adjusted for the provisions of the Trade Code.

However, regulations may be exempted from this obligation to taxpayers whose business activity is not mercantile in accordance with the Trade Code, and to those taxpayers who

determine their business. net performance by the simplified mode of the direct estimation method.

3. Also, taxpayers of this tax will be required to carry the books or records that they regulate are established.

4. Specific obligations for information of a patrimonial nature may be established, at the same time as the declaration of the Income Tax on the Income of the Physical Persons or the Tax on the Heritage, which is intended for the control of the income or use of certain goods and the rights of the taxpayer.

5. The taxpayers of this tax who are holders of the protected estate regulated in Law 41/2003, of 18 November, of protection of assets of persons with disabilities and of modification of the Civil Code, of the Law of Procedure Civil and the Tax Regulations for this purpose, they shall provide a statement indicating the composition of the assets, the contributions received and the provisions made during the tax period, in terms of rules are set out.

Article 105. Formal obligations of the retainer, of the obligation to practice income on account and other formal obligations.

1. The taxable person shall, within the time limits, form and places to be established, make a statement of the amounts withheld or payments to be made, or a negative statement if the person is obliged to keep and practice income. they have carried out the practice of the same. It shall also provide an annual statement of withholding and revenue in accordance with the content to be determined by regulation.

The subject obliged to retain and practice income on account will be obliged to keep the relevant documentation and to issue, under the conditions that are regulated, certification of the withholding tax. or revenue to account incurred.

The corresponding declaration models will be approved by the Minister of Economy and Finance.

2. Regulations may provide for the provision of information to persons and entities who develop or are in the following operations or situations:

a) For lenders, in relation to mortgage loans granted for the acquisition of homes.

(b) For institutions that pay income from work or capital not subject to retention.

c) For legal entities and entities that satisfy prizes, even if they have the consideration of exempt income for tax purposes.

(d) For entities receiving donations giving the right of deduction for this tax, in relation to the identity of the donors, as well as the amounts received, where they have applied for accreditative certification of the donation for the purposes of the declaration by this tax.

e) For the business public entity Lotteries and Betting of the State, the Autonomous Communities, the Red Cross and the National Organization of the Blind Spaniards, in respect of the prizes that satisfy exempt from the Tax on the Income of Physical Persons.

(f) For credit institutions, in relation to the amounts deposited in them in the form of housing accounts and savings-business accounts. For this purpose, the taxpayer shall identify to the credit institution the accounts intended for those purposes.

g) For the designated representative in accordance with Article 86.1 of the recast text of the Law on the Management and Supervision of Private Insurance, acting on behalf of the insurance undertaking operating under freedom to provide services, in relation to operations carried out in Spain.

(h) For the representative provided for in the penultimate paragraph of Article 99 (2) of this Law, in relation to the operations carried out in Spain. This representative shall in any event be subject to the same tax information obligations as those for the management entities of the pension funds in the Pension Funds and Plans Regulation approved by Royal Decree 1307/1988, of 30 September.

TITLE XII

Heritage liability and sanctioning regime

Article 106. Taxpayer's wealth liability.

The tax debts and, where applicable, the tax penalties, for the Income Tax of the Physical Persons will have the same consideration as those referred to in Article 1365 of the Civil Code and, consequently, the (a) the financial assets shall be directly liable to the public treasury for these debts incurred by one of the spouses, without prejudice to the provisions of Article 84 (6) of this law for the joint taxation case.

Article 107. Infringements and penalties.

The tax violations in this Tax will be qualified and sanctioned according to the provisions of Law 58/2003 of 17 December, General Tax, without prejudice to the specialties provided for in this Law.

TITLE XIII

Jurisdictional Order

Article 108. Court order.

The judicial-administrative jurisdiction, prior to the exhaustion of the economic-administrative path, will be the only competent authority to settle disputes in fact and in law that arise between the tax administration and the taxpayers, retainers and other tax payers in relation to any of the issues referred to in this Law.

Additional disposition first. The right of rescue in collective insurance contracts that implement the pension commitments assumed by the companies, in the terms provided for in the first provision of the recast text of the Law on the Regulation of the Plans and Pension Funds.

The income to be shown as a result of the exercise of the right to rescue collective insurance contracts that implement pension commitments, in the terms provided for in the first provision of the recast of the Law of Regulation of the Pension Plans and Funds, it shall not be subject to the Income Tax of the Physical Persons of the holder of the economic resources that in each case corresponds, in the following assumptions:

(a) For the full or partial integration of the commitments made in the policy into another insurance contract that meets the requirements of that additional provision first.

(b) For the integration into another collective insurance contract, of the rights that correspond to the worker under the original insurance contract in the case of termination of the employment relationship.

The assumptions set out in paragraphs (a) and (b) above will not alter the nature of the premiums in respect of their tax allocation by the company, nor the calculation of the age of the premiums paid in the contract of original insurance. However, in the case provided for in paragraph (b) above, if the premiums were not imputed, the company may deduct the premiums on the occasion of this mobilisation.

Neither will be subject to the Income Tax of the Physical Persons the income that is evidenced as a consequence of the participation in benefits of the insurance contracts that implement commitments for pensions of the provision in the first provision of the recast text of the Law on the Regulation of Pension Plans and Funds where such participation in benefits is intended to increase the benefits provided for in those benefits; contracts.

Additional provision second. Remuneration in kind.

They will not have the consideration of remuneration in kind for loans of interest lower than the legal tender of the money previously agreed to 1 January 1992 and whose principal would have been made available to the borrower also prior to that date.

Additional provision third. Individual plans for systematic savings.

Individual schemes for systematic savings are set up as contracts concluded with insurance companies in order to provide the resources provided with an insured lifetime income, provided that the following conditions are met: requirements:

(a) The resources provided will be used through individual life insurance in which the contractor, insured and beneficiary is the taxpayer himself.

(b) Life income shall be constituted by the economic rights deriving from such life insurance. For life-income contracts, mechanisms for reversion or certain periods of benefit or arrangements for the provision of insurance may be established in the event of death once the lifetime income is established.

(c) The maximum annual limit satisfied in terms of premiums for this type of contract will be 8,000 euros, and will be independent of the limits of contributions of social welfare systems.

Furthermore, the total amount of premiums accumulated in these contracts may not exceed the total amount of EUR 240,000 per taxpayer.

d) In the case of a provision, in whole or in part, by the taxpayer before the formation of the lifetime income of the accumulated economic rights shall be taxed in accordance with the provisions of this Law in proportion to the provision performed. For these purposes, the amount recovered shall be deemed to correspond to the premiums paid in the first place, including their corresponding return.

In the case of anticipation, in whole or in part, of the economic rights derived from the life income constituted, the taxpayer must integrate in the tax period in which the anticipation occurs, the income that was exempt by application of the provisions of Article 7 (v) of this Law.

e) Life insurance eligible for this contractual formula shall not be the collective insurance that implements pension commitments under the additional first provision of the recast of the Law on the Regulation of the Plans and Pension Funds, nor the social security instruments that reduce the tax base.

(f) The condition of the contract shall be expressly and prominently stated that it is a systematic individual savings plan and its initials are reserved for contracts that meet the requirements laid down in the contract. Law.

g) The first satisfied premium must be more than ten years old at the time of the lifetime of the lifetime income.

h) The lifetime income to be collected shall be taxed in accordance with the provisions of Article 25.3 (a) of this Law.

The conditions for the mobilization of economic rights may be developed.

Additional provision fourth. Forest income.

They will not be integrated into the tax base of the Income Tax of the Physical Persons, the grants awarded to those who exploit forest farms managed in accordance with technical plans for forest management, montes, dasocratic plans or afforestation plans approved by the competent forest administration, provided that the average production period, according to the species concerned, determined in each case by the forest administration competent, equal to or greater than 20 years.

Additional provision fifth. Subsidies for Community agricultural policy and public aid.

1. Positive income tax shall not be included in the taxable income tax base of the Physical Persons as a result of:

(a) The perception of the following Community agricultural policy aid:

1. The definitive abandonment of vineyard cultivation.

2. Prima at the start of apple plantations.

3. Prima at the start of plataneras.

4. The definitive abandonment of milk production.

5. The definitive abandonment of the cultivation of pears, peaches and nectarines.

6. Grubbing of pears, peaches and nectarines.

(b) The perception of the following Community fisheries policy aid: permanent cessation of the fishing activity of a vessel and its transmission for the formation of joint ventures in third countries, as well as for the definitive abandonment of the fishing activity.

(c) The collection of public aid for the purpose of repairing destruction by fire, flooding or sinking of property.

(d) The perception of aid to the abandonment of road transport activity satisfied by the Ministry of Public Works to carriers meeting the requirements laid down in the regulatory framework for the granting of such aid.

e) The perception of public compensation, due to the compulsory slaughter of the livestock population, in the framework of actions aimed at the eradication of epidemics or diseases. This provision shall only affect animals intended for reproduction.

2. In order to calculate the income which will not be included in the tax base, account shall be taken of both the amount of aid received and the property losses incurred in the assets. Where the amount of such aid is less than that of the losses incurred in the abovementioned elements, the negative difference may be incorporated in the tax base. Where there are no losses, only the amount of the aid shall be excluded.

3. Public aid, other than those provided for in paragraph 1, received for the purpose of repairing damage to property caused by fire, flooding, subsidence or other natural causes shall be integrated into the tax base. in the part where they exceed the cost of repair of the same. In no case, the repair costs, up to the amount of the aid, shall be fiscally deductible and shall not be counted as improvement.

They will not be integrated into the tax base of this tax, the public aid received to compensate for the temporary or permanent eviction for identical causes of the habitual housing of the taxpayer or the local in which the holder of the economic activity was the same.

Additional provision sixth. Special tax benefits applicable to agricultural activities.

Young farmers or agricultural workers who determine the net performance of their activity through the objective estimation scheme may reduce their agricultural activity by 25% during the period of the closed tax periods during the five years following its first installation as holders of a priority holding, carried out under the provisions of Chapter IV of Title I of Law 19/1995 of 4 July 1995 on the modernisation of the agricultural holdings, provided that they demonstrate the implementation of an improvement plan for the exploitation.

The net yield referred to in the preceding paragraph shall be the result exclusively of the application of the rules governing the objective estimation regime.

This reduction shall be taken into account for the purposes of determining the amount of the split payments to be made.

Additional provision seventh. Taxation of certain income obtained by taxpayers who develop the activity of transport by taxi.

The yield obtained by the taxable persons under the heading 721.2 of Section 1. of the Tariff of the Tax on Economic Activities approved by the Royal Legislative Decree 1175/1990, of 28 September, by the the transfer of intangible fixed assets in the event of death, permanent incapacity, retirement, cessation of activity by restructuring of the sector and transfer to family

members up to the second degree, shall be included in the net yield resulting from the application of the mode of signs, indexes, or modules of the estimation method objective of the Income Tax of the Physical Persons. The application of this precept will be developed.

Additional disposition octave. Transfers of securities or units not admitted to trading after a reduction of capital.

When prior to the transfer of securities or units not admitted to trading in any of the official secondary markets of Spanish securities, there would have been a reduction in the instrument capital by a decrease in the nominal value that does not affect all the securities or units in circulation of the taxpayer, the rules provided for in Section 4 of Chapter II of Title III of this Law shall apply, with the following: Specialties:

1. The value of transmission shall be considered to be the value of the transmission which corresponds to the nominal value resulting from the application of the provisions of Article 33.3. a) of this Law.

2. In the event that the taxpayer has not transmitted all of its securities or units, the positive difference between the transmission value corresponding to the nominal value of the securities or shares/units The value of the transfer, as referred to in the preceding paragraph, shall be subject to the acquisition value of the remaining homogeneous securities or units until its cancellation. The excess that could be taxed as a wealth gain.

Additional provision ninth. Mutual benefits of employed persons.

They may reduce the general tax base, as provided for in Articles 51 and 52 of this Law, of the amounts paid under insurance contracts, in accordance with the social security contributions they have (a) the corresponding professional associations, by the collegiate mutualists who are employed persons, by their spouses and consanguine relatives in the first degree, and by the workers of the said mutual societies; provided that there is an agreement between the relevant bodies of the mutual society which only permits to collect benefits when the contingencies provided for in Article 8.6 of the recast of the Law on the Regulation of Pension Plans and Funds are met.

Additional provision 10th. Social forecasting systems made up of people with disabilities.

When contributions are made to pension schemes in favour of persons with a degree of physical or sensory disability equal to or greater than 65 per 100, psychic equal to or greater than 33 per 100, as well as persons having a (a) the financial arrangements for pension schemes, as laid

down in the recast of the Law on the Regulation of Pension Plans and Funds with the Member States of the European Union, are to be applied to the Member States of the European Union. Following specialties:

1. Contributions to the pension scheme may be made by both the person with a disability and the persons who have the same relationship of parentage in direct or collateral line up to and including the third degree, as well as the spouse or those who have them in their custody or in a position.

In these last cases, persons with disabilities will have to be uniquely and irrevocably designated beneficiaries for any contingency.

However, the death contingency of the disabled person may result in the right to benefit from widowage, orphan or to those who have made contributions to the pension scheme of the disabled person in proportion to the contribution of these.

2. As a ceiling for contributions, for the purposes of Article 5.3 of the recast of the Law on the Regulation of Pension Plans and Funds, the following amounts shall apply:

(a) The maximum annual contributions made by persons with disabilities shall not exceed the amount of EUR 24,250.

(b) The maximum annual contributions made by each participant in favour of persons with disabilities linked by relationship of kinship may not exceed the amount of EUR 10,000. This is without prejudice to the contributions it may make to its own pension scheme, in accordance with the limit laid down in Article 5.3 of the recast of the Law on the Regulation of Pension Plans and Funds.

(c) Maximum annual contributions to pension plans made in favour of a person with disabilities, including their own contributions, shall not exceed the amount of EUR 24,250.

The failure to comply with these contribution limits will be the subject of the sanction provided for in Article 36.4 of the recast of the Law on the Regulation of Pension Plans and Funds. For this purpose, when several contributions are made in favour of the person with disabilities, the limit of EUR 24,250 shall be understood to be covered, first, with the contributions of the person with a disability, and where they do not exceed that limit. with the remaining contributions in proportion to their value.

The acceptance of contributions to a pension scheme, on behalf of the same beneficiary with a disability, up to the limit of EUR 24,250 per year, will be considered as a very serious infringement, as provided for in the Article 35 (3) (n) of the recast of the Law on the Regulation of Pension Plans and Funds.

3. The provisions of paragraphs 8 and 9 of Article 51 of this Law shall apply to the effects of the levying of benefits.

4. Regulations may lay down specifications in relation to the contingencies for which benefits may be satisfied, as referred to in Article 8.6 of the recast of the Law on the Regulation of Plans and Funds Pensions.

5. Regulations shall determine the assumptions on which the consolidated rights in the pension plan may be made effective by persons with disabilities, in accordance with the provisions of Article 8.8 of the recast of the Law. Regulation of Pension Plans and Funds.

6. The system governed by this additional provision shall apply to contributions and benefits made or received from social welfare insurance funds, insured pension schemes, business and insurance social security schemes which are exclusively cover the risk of severe dependence or heavy dependence in accordance with the provisions of the Law on the promotion of personal autonomy and care for persons in a situation of dependence in favour of persons with disabilities who requirements laid down in the previous paragraphs and those laid down in regulation. The established limits shall be set for all the social security systems provided for in this provision.

Additional provision eleventh. Mutual social security of professional sportsmen.

One. Professional and high level sportspersons may contribute to the mutual social security provision at the fixed premium of professional athletes, with the following specialties:

1. Subjective scope. Professional sportsmen and women will be considered to be included in the scope of Royal Decree 1006/1985 of 26 June, which regulates the special employment relationship of professional sportsmen and women. High level athletes will be considered to be included in the scope of Royal Decree 1467/1997, of 19 September, on high level athletes.

The condition of a mutualist and insured person will rest, in any case, on the professional or high level athlete.

2. Contributions. The annual contributions shall not be exceeded by the maximum amount to be established for social welfare systems made up in favour of persons with disabilities, including those which have been imputed by the promoters in respect of returns from work when the latter are carried out in accordance with the provisions of the first provision of the recast text of the Law on the Regulation of Pension Plans and Funds.

No contributions shall be admitted after the end of the working life as a professional athlete or the loss of the status of a high level athlete in the terms and conditions laid down in regulation.

3. Contingencies. The contingencies that may be covered are those foreseen for pension plans in Article 8.6 of the recast of the Law on the Regulation of Pension Plans and Funds.

4. Provision of consolidated rights. The consolidated rights of the mutualists may be made effective only in the cases provided for in Article 8 (8) of the recast of the Law on the Regulation of Pension Plans and Funds, and, in addition, after one year of the end of the working life of professional athletes or since the status of high level athletes is lost.

5. Tax regime:

(a) Contributions, direct or imputed, that meet the above requirements may be reduced by the general tax base of the Income Tax of the Physical Persons, with the limit of the sum of the net income from work and economic activities received individually in the financial year and up to a maximum amount of EUR 24,250.

(b) Contributions which could not have been subject to a reduction in the tax base due to insufficient or by application of the limit laid down in point (a) may be reduced in the following five years. This rule shall not apply to contributions exceeding the maximum limit laid down in paragraph 2 of this paragraph.

(c) The provision of the consolidated rights in cases other than those referred to in paragraph 4 above shall determine the obligation for the taxpayer to replenish in the tax base any reductions unduly made, with the practice of complementary self-actions, which shall include interest on late payment. The amounts collected in excess of the amount of contributions made, including, where appropriate, the contributions charged by the sponsor, shall be taxed as performance of the work in the tax period in which they are collected.

(d) The benefits received, as well as the perception of the consolidated rights in the cases referred to in paragraph 4 above, shall be taxed in their entirety as income from the work.

e) For the purposes of the receipt of benefits, the provisions of Article 51 (8) and (9) of this Law shall apply.

Two. Irrespective of the arrangements provided for in the previous paragraph, professional and high level athletes, even if they have completed their working life as such or have lost this condition, may make contributions to the mutual insurance scheme. social of professional sportsmen.

Such contributions may be subject to reduction in the taxable amount of the Income Tax of the Physical Persons in the part that is intended to cover the contingencies provided for in Article 8.6 of the text recast of the Law on the Regulation of Pension Plans and Funds.

The consolidated rights of the mutualists can only be made effective in the envisaged assumptions, for pension schemes, by Article 8.8 of the recast of the Law of Regulation of the Plans and Funds of the Pensions.

As a maximum limit of reduction of these contributions, the one set out in Article 51.6 of this Law will apply.

For the purposes of the receipt of benefits, the provisions of Article 51 (8) and (9) of this Law shall apply.

Additional disposition twelfth. Permanent cameral resource.

The levy on the permanent use of resources referred to in Article 12 (1) (b) of Law No 3/1993 of 22 March 1993, the Basic Law of the Official Chambers of Commerce, Industry and Shipping, shall be based on the returns falling within Section 3 of Chapter II of Title III of this Law, where they are derived from activities covered by Article 6 of that Law 3/1993.

Additional disposition thirteenth. Reporting obligations.

1. Regulations may provide for the provision of information to the management companies of collective investment institutions, investment companies, the trading entities in Spanish territory of shares or units of collective investment institutions domiciled abroad, and to the designated representative in accordance with the provisions of Article 55.7 and the second provision of Law 35/2003 of 4 November of institutions of collective investment, acting on behalf of the manager operating under the free movement the provision of services, in relation to the

operations relating to shares or units of such institutions, including information that they have as a result of the purchase and sale of those transactions.

2. The taxpayers for the Income Tax of the Physical Persons or for the Company Tax shall provide information, in the terms that they regulate, in relation to the operations, situations, charges and payments made or derived from the holding of securities or related assets, directly or indirectly, with countries or territories considered as tax havens.

3. Reporting obligations may be established in the following cases:

(a) To insurance institutions, in respect of insured pension plans, business social security plans and dependency insurance that they market, as referred to in Article 51 of this law.

(b) To financial institutions, in respect of individual schemes of systematic saving which they place on the market, as referred to in the third provision of this Law.

(c) to social security and mutual funds, in respect of contributions and contributions payable in relation to their members or mutualists.

(d) To the Civil Registry, with respect to data on births, adoptions and deaths.

4. Banks, savings banks, credit unions and any natural or legal persons engaged in the banking or credit traffic will be obliged, under the conditions that they regulate, to provide to the Administration (a) the identification of all accounts opened in or placed by such entities at the disposal of third parties, irrespective of the form or denomination they adopt, even where the practice of such an institution has not been carried out; Withholding or income on account. This provision shall include the identification of the holders, authorised or any beneficiary of such accounts.

5. Persons who, in accordance with the provisions of Articles 3 and 4 of the Law on the protection of persons with disabilities and amending the Civil Code, the Law on Civil Procedure and the Tax Law with this Law The aim is to provide a statement on the contributions to the protected assets in the form of the contributions to the protected assets. The declaration shall be made at the place, form and time limit laid down by the Minister for Economic Affairs and Finance.

Additional disposition fourteenth. Data fetch.

The Minister of Economy and Finance, prior to the report of the Spanish Data Protection Agency, will propose to the government the precise measures to ensure the collection of working data in any class. for the public registration or registration of public administrations, which are necessary for the management and control of the tax.

Additional provision 15th. Provision of goods that make up the personal patrimony to assist the economic needs of old age and dependency.

They will not have to take into account the amounts received as a result of the provisions that are made of habitual housing by persons over the age of 65, as well as the persons who are in a situation of severe dependence or heavy dependence referred to in Article 24 of the Law on the promotion of personal autonomy and care for persons in a situation of dependence, provided that they are carried out in accordance with the regulation financial instruments relating to the acts of disposal of goods which make up the personal property to assist the economic needs of old age and dependency.

Additional provision sixteenth. Financial limit for contributions and contributions to social security systems.

The maximum annual amount of contributions and business contributions to the social security systems provided for in Article 51 (1), (2), (3), (4) and (5) of the Additional Article 51 (9) and Article 51 (2) The additional provision of this Law will be EUR 10,000 per year. However, in the case of taxpayers over 50 years of age, the previous amount shall be EUR 12,500.

Additional 17th disposition. Regulatory referrals.

The normative references made in other provisions to Law 18/1991, of June 6, of the Tax on the Income of the Physical Persons, to Law 40/1998, of 9 December, of the Tax on the Income of the Physical Persons and other Tax Rules, and the recast text of the Law of the Income Tax of the Physical Persons, approved by the Royal Legislative Decree of March 5, will be understood to be realized to the corresponding precepts of this Law.

18th additional disposition. Contributions to protected assets.

The contributions made to the protected heritage of persons with disabilities, regulated in the Law on the protection of persons with disabilities and the modification of the Civil Code, of the Law of Civil Procedure and of the Tax Regulations for this purpose, will have the following tax treatment for the person with disabilities:

(a) When the contributors are taxpayers of the Income Tax of the Physical Persons, they will have the consideration of income from the work up to the amount of 10,000 euros per year for each contributor and 24,250 euros per year together.

Likewise, and regardless of the limits indicated in the preceding paragraph, when the contributors are taxable persons of the Company Tax, they shall be considered to have income from the work provided that they have been deductible in the Company Tax with the limit of 10,000 euros per year.

These returns will result from the application of the exemption provided for in Article 7 (w) of this Law.

When contributions are made by taxable persons of the Corporate Tax in favour of the protected assets of the relatives, spouses or persons in charge of the employees of the contributor, they shall only have the Performance consideration of the job for the protected heritage holder.

The returns referred to in this paragraph (a) shall not be subject to withholding or entry into account.

(b) In the case of non-cash contributions, the person with the right-holder disability shall be subrogated in the position of the contributor with respect to the date and value of the acquisition of the assets and rights provided, but without, for the purposes of subsequent transmissions, the provision of the provisions of the transitional provision of this Law.

The portion of the non-cash contribution subject to the Succession and Donation Tax shall apply, for the purposes of calculating the value and date of acquisition, as set out in Article 36 of this Act.

(c) Not subject to the Tax on Successions and Donations shall be the part of the contributions that the recipient has for the consideration of income from the work.

Additional 19th disposition. Exemption from aid and compensation for deprivation of liberty as a result of the cases referred to in Law 46/1977 of 15 October of Amnesty.

1. Persons who had received compensation under the legislation of the State and the Autonomous Communities from 1 January 1999 until 31 December 2005 to compensate for the deprivation of liberty in establishments As a result of the cases referred to in Law 46/1977 of 15 October, Amnesty may request, in the form and time limit to be determined, the payment of a

quantified aid in 15% of the amounts which, in such a way as In the case of the tax on the income of the person concerned, the one of those tax periods.

If the persons referred to in the previous paragraph have passed away, the right to the aid shall be for their heirs who may request it.

The Order of the Minister of Economy and Finance will determine the procedure, the conditions for obtaining it, and the competent body for the recognition and payment of this aid.

2. Any aid received under the provisions of paragraph 1 above shall be exempt from the Income Tax of the Physical Persons.

3. The compensation provided for in the legislation of the State and the Autonomous Communities to compensate for the deprivation of liberty in penitentiary establishments as a result of the cases referred to in Law 46/1977 of 15 October Amnesty imputable to the 2006 tax period, will be exempt from the Income Tax of the Physical Persons in that tax period.

320th additional disposition. Social security contributions bonuses in favour of the research staff.

1. In the terms that are regulated, the Government is authorised to provide, in the framework of the Employment Promotion Programme, bonuses in the contributions corresponding to the research staff who, on an exclusive basis, is engaged in research and development and technological innovation activities as referred to in Article 35 of the recast of the Law on Corporate Tax, approved by Royal Decree-Law 4/2004 of 5 March 2004.

2. The allowance shall be equal to 40% of the contributions for common contingencies by the employer and shall be incompatible with the application of the system of deduction for research and development and innovation activities. technology as set out in Article 35.

3. The bonus shall be entitled in the case of contracts of an indefinite nature, as well as in the case of temporary contracts, in the terms that are regulated in law.

4. The Ministry of Economy and Finance shall compensate the State Public Employment Service for the cost of the quota allowances provided for in this provision.

Additional twenty first disposition. Tax residence of certain salaried workers.

The provisions of Article 8 (2) of this Law shall not apply to natural persons of Spanish nationality residing in the Principality of Andorra who credit their status as salaried workers, provided that the following requirements are met, in addition to those which are regulated:

1. º That the displacement is the result of a contract of work with a company or entity resident in the territory.

2. º That the work is effectively and exclusively provided in the said territory.

3. That the income from the work derived from that contract represents at least 75 percent of its annual income, and does not exceed five times the amount of the public multiple-effect income indicator.

Additional twenty-second disposition. Mobilisation of economic rights between the various social security systems.

The different social security systems referred to in Articles 51 and 53 of this Law will be able to carry out mobilizations of economic rights between them.

The conditions under which mobilizations, without tax consequences, of the economic rights between these systems of social foresight can be carried out will be established, taking into account the homogeneity of their tax treatment and the legal, technical and financial characteristics of such treatment.

33rd additional disposition. Support for research, development and innovation activities.

During the last half of 2011, the Ministry of Economy and Finance, assisted by the Ministry of Industry, Tourism and Trade, will present to the Government a study on the effectiveness of the various aids and incentives. the research, development and innovation activities in force during the years 2007 to 2011, and, where appropriate, appropriate to the needs of the Spanish economy, in compliance with Community legislation.

Twenty-fourth additional disposition.

As provided for in paragraph 1 (c) and in paragraph 3 of the fifth additional provision of this Law, it will apply to public aid received in the 2005 and 2006 tax periods.

Additional twenty-fifth disposition.

Expenses and investments to habituate employees in the use of new communication and information technologies.

1. Expenditure and investments made during the years 2007, 2008, 2009 and 2010, in order to make use of new communication and information technologies used by employees when their use can only be made outside the place and work schedule, will have the following tax treatment:

(a) Tax on the Income of the Physical Persons: such expenses and investments shall be considered as training expenses in the terms provided for in Article 42.2.b) of this Law.

(b) Company tax: such expenses and investments shall entitle the application of the deduction provided for in Article 40 of the recast of the Company Tax Act, approved by the Royal Legislative Decree 4/2004.

2. The costs and investments referred to in this additional provision include, inter alia, the quantities used to provide, facilitate or finance their connection to the Internet, as well as the delivery, updating or free renewal, or at discounted prices, or the granting of loans and financial aid for the purchase of equipment and terminals necessary to access that equipment, with its associated software and peripherals.

First transient disposition. Benefits received from employment regulation files.

To the amounts received from 1 January 2001 by beneficiaries of contracts of insurance agreed to comply with the provisions of the fourth transitional provision of the recast text of the Law of the Pension Plans and Funds which implement the benefits deriving from the employment regulation files, which prior to the conclusion of the contract were made effective from internal funds, and which would result from them being application of the reduction laid down in Article 17 (2) (a) of Law 40/1998 of 9 December 1998 Tax on the Income of the Physical Persons and other Tax Rules, shall apply the reduction set out in Article 18.2 of this Law, without the conclusion of such contracts to alter the calculation of the period of generation of such contracts. benefits.

Second transient disposition. Transitional arrangements applicable to social security mutual societies.

1. Retirement and invalidity benefits arising from insurance contracts concluded with social security contributions, the contributions of which were made prior to 1 January 1999, have been subject to a minimum of at least part of the tax base, they will have to be integrated into the tax base of income tax.

2. The integration shall be made in so far as the amount received exceeds the contributions made to the mutual fund which have not been the subject of reduction or reduction in the tax base of the tax in accordance with the legislation in force in each Member State. time and therefore have been previously taxed.

3. If the amount of contributions which have not been the subject of reduction or reduction in the tax base cannot be credited, 75 per cent of the pension or invalidity benefits received shall be included.

Transitional provision third. Leasing contracts prior to 9 May 1985.

In the determination of the income of the real estate capital arising from lease agreements concluded before 9 May 1985, which do not enjoy the right to the revision of the income of the contract under the application of Rule 7 (11) of the second transitional provision of Law No 29/1994 of 24 November 1994, of urban leases, will be further included as deductible expenditure, while this situation and in respect of the compensation, the amount corresponding to the depreciation of the property.

Transitional disposition fourth. Transitional arrangements for life insurance contracts which generate increases or decreases in assets prior to 1 January 1999.

When a deferred capital is collected, to the part of the total net yield calculated in accordance with Article 25 of this Act corresponding to premiums paid prior to 31 December 1994, which is have been generated before 20 January 2006, shall be reduced by 14,28 per 100 for each year, rounded up by excess, between the premium and 31 December 1994.

To calculate the amount to be reduced from the total net yield, the following form will be taken:

1. The part of the total net yield corresponding to each of the premiums paid before 31 December 1994 shall be determined. In order to determine the part of the total yield obtained

corresponding to each premium of the insurance contract, that total yield shall be multiplied by the weighting coefficient resulting from the following ratio:

In the numerator, the result of multiplying the corresponding premium by the number of years since it was satisfied until the collection of the perception.

In the denominator, the sum of the products resulting from multiplying each premium by the number of years since it was satisfied until the collection of the perception.

2. For each of the parts of the total net yield corresponding to each of the premiums paid prior to 31 December 1994, the part of the same that has been generated shall be determined prior to 20 January 2006. In order to determine the part of the same which has been generated prior to that date, the amount resulting from that provided for in the previous No 1 for each premium paid before 31 December 1994 shall be multiplied by the weighting coefficient resulting from the following ratio:

In the numerator, the elapsed time between the premium payment and January 20, 2006.

In the denominator, the elapsed time between the premium payment and the benefit collection date.

3. The amount to be determined shall be determined to reduce the total net yield. For these purposes, each of the parts of the net yield calculated in accordance with the number 2. above shall be reduced by 14,28 per 100 for each year between the payment of the corresponding premium and 31 December 1994. Where more than six years have elapsed between those dates, the percentage to be applied shall be 100 per 100.

Transient disposition fifth. Transitional arrangements applicable to life and temporary income.

1. In order to determine the part of the temporary, immediate or deferred income, which is considered to be the return on capital, the percentages laid down in Article 25 (3) (a), No 2 and 3. this Law, to the benefits in the form of income which are received from the entry into force of this Law, when the incorporation of the income would have occurred before 1 January 1999.

These percentages will be applicable according to the age of the recipient at the time of the formation of the income in the case of life income or according to the total duration of the income if it is income temporary.

2. If the rescue of temporary or temporary income whose constitution had been produced before 1 January 1999, for the purposes of calculating the return on capital produced for the purpose of the rescue, shall be deducted from the rate of return obtained until the date of incorporation of the income.

3. In order to determine the part of the income and temporary, immediate or deferred income, which is considered to be the return on capital, the percentages laid down in Article 25.3 (a), numbers 2. and 3. of this Law shall be applicable to the benefits in the form of income received from the entry into force of this Law, where the constitution of such benefits would have occurred between 1 January 1999 and 31 December 2006.

These percentages will be applicable according to the age of the recipient at the time of the formation of the income in the case of life income or according to the total duration of the income if it is income temporary.

Additionally, if applicable, the profitability obtained up to the date of incorporation of the income referred to in Article 25.3 (a) of this Law shall be added.

Transitional disposition sixth. Exemption from reinvestment in the Income Tax of the Physical Persons.

The income received from the reinvestment exemption provided for in Article 127 of Law 43/1995 of 27 December 1995 on the Company Tax, in the wording in force prior to 1 January 1999, will be regulated by the the established, even if the reinvestment takes place in tax periods started on or after 1 January 1999.

Transitional disposition seventh. Items to be cleared.

1. The property losses referred to in Article 39 (b) of the recast of the Income Tax Act of the Physical Persons corresponding to the tax periods 2003, 2004, 2005 and 2006 that are pending compensation to the date of entry into force of this Law, shall be offset against the balance of the property gains and losses referred to in Article 48 (b) of this Law. Property losses not compensated for by insufficient balance shall be offset against the positive balance of the income provided for in Article 48 (a) of this Law, with the limit of 25% of that positive balance.

2. The property losses referred to in Article 40 of the recast of the Income Tax Act of the Physical Persons corresponding to the tax periods 2003, 2004, 2005 and 2006 that are pending

compensation on the date of entry into force of this Law, they shall be compensated exclusively by the balance of the property gains and losses referred to in Article 49.1. b) of this Law.

3. The negative general liquidable base corresponding to the tax periods 2003, 2004, 2005 and 2006 that is pending compensation to the date of entry into force of this Law, will be compensated only with the positive balance of the base general liquidable under Article 50 of this Law.

4. The amounts corresponding to the double taxation deduction of dividends not deducted due to insufficient liquid quota, corresponding to the tax periods 2003, 2004, 2005 and 2006, which are pending compensation to the the date of entry into force of this Law, shall be deducted from the total liquid quota referred to in Article 79 of this Law, within the time limit of 31 December 2006 in accordance with the provisions of Article 81.3 of the recast of the Law of the Tax on the Income of the Physical Persons, as applicable to that date.

Transient disposition octave. Tax value of collective investment institutions incorporated in countries or territories considered as tax havens.

1. For the purposes of calculating the excess of the liquidative value referred to in Article 95 of this Law, the value of the acquisition shall be taken as the value of the acquisition as at 1 January 1999 in respect of the shares and shares held therein. held by the taxpayer. The difference between that value and the effective acquisition value shall not be taken as the acquisition value for the purposes of determining the income derived from the transmission or redemption of the shares or units.

2. Dividends and participations in profits distributed by the collective investment institutions, which derive from profits made before 1 January 1999, shall be integrated into the taxable base of the members or members of the " For these purposes, the first distributed reserves shall be understood to have been endowed with the first benefits gained.

transient disposition ninth. Determination of the amount of capital gains derived from assets acquired prior to 31 December 1994.

1. The amount of the capital gains relating to transfers of assets not affected by economic activities which had been acquired before 31 December 1994 shall be determined in accordance with the following conditions: rules:

1.) In general, they shall be calculated, for each asset item, in accordance with the provisions of Section 4. of Chapter II of Title III of this Law. The amount of the wealth thus calculated shall be

distinguished from the part of the same that was generated prior to January 20, 2006, understanding as such the part of the wealth gain that proportionally corresponds to the number of days between the date of acquisition and 19 January 2006, both inclusive, in respect of the total number of days that would have remained in the taxpayer's assets.

The portion of the wealth gain generated prior to January 20, 2006 will be reduced as follows:

(a) The number of years between the date of acquisition of the item and 31 December 1996, rounded up by excess, shall be taken as a period of stay in the assets of the taxable person.

In the case of subscription rights it will be taken as a period of stay that corresponds to the values of which they proceed.

If improvements have been made to the transferred assets, the number of years between the date on which they were made and the date on which they were made will be taken as the period of their stay in the assets of the taxable person. December 31, 1996, rounded up by excess.

(b) If the assets transferred were immovable property, rights to the same or securities of the entities covered by Article 108 of Law 24/1988 of 28 July 1988 of the Securities Market, with the exception of the shares or shares representing the share capital or equity of the Real Estate Investment Company or Funds, shall be reduced by 11,11 per 100 for each year of permanence of those referred to in the preceding letter in excess of two.

(c) If the transferred assets were shares admitted to trading on any of the official secondary markets defined in Directive 2004 /39/EC of the European Parliament and of the Council of 21 April 2004 on the markets for financial instruments and representative of the participation in own funds of companies or entities, with the exception of shares representing the social capital of investment companies Mobiliaria e Real estate, it will be reduced by 25 per 100 for each year of stay of the indicated in the paragraph (a) above that exceeds two.

(d) The remaining capital gains generated prior to 20 January 2006 shall be reduced by 14,28 per 100 for each year of permanence of those referred to in paragraph (a) above that exceeds two.

e) The portion of the wealth gain generated prior to 20 January 2006 derived from assets that were derived from assets as at 31 December 1996 and in accordance with paragraphs (b), (c) and (d) shall not be subject to the share of the wealth gain. they have a period of stay, as defined in paragraph (a) above ten, five and eight years, respectively.

2. (a) In the case of securities admitted to trading on any of the regulated markets and of shares or units in collective investment institutions to which the arrangements provided for in points (a) and (c) apply. Article 37 (1) of this Law, property gains and losses shall be calculated for each value, share or share in accordance with Section 4. of Chapter II of Title III of this Law.

If, as a result of the provisions of the preceding paragraph, a wealth gain is obtained, the reduction shall be made as follows:

(a) If the transmission value is equal to or greater than that corresponding to the values, shares or units for the purposes of the 2005 Heritage Tax, the share of the wealth gain that would have been generated by Prior to 20 January 2006, it shall be reduced in accordance with the provisions of Rule 1. For these purposes, the property gain generated prior to 20 January 2006 shall be the part of the wealth gain resulting from taking as a transfer value the amount corresponding to the securities, shares or units for the purposes of the Heritage tax for the year 2005.

(b) If the value of transmission is lower than that corresponding to the values, shares or units for the purposes of the 2005 Heritage Tax, the entire wealth gain shall be understood to have been generated by prior to 20 January 2006 and shall be reduced in accordance with the provisions of Rule

.

3.) If improvements have been made to the transferred assets, the part of the disposal value corresponding to each component of the transfer value shall be distinguished for the purposes of the application of the provisions of this Regulation. paragraph 1.

2. For the purposes of this provision, economic activities shall be considered to be non-economic assets where the disaffection of these activities has occurred more than three years in advance of the date of transmission.

Transient disposition tenth. Transparent and heritage companies.

In what affects the taxpayers of the Income Tax of the Physical Persons will be of application the established in the transitional provisions fifteenth, sixteenth and twentieth second of the text recast of the Law of the Company Tax.

Transient disposition eleventh. Transitional arrangements applicable to benefits arising from collective insurance contracts which implement pension commitments.

1. In the case of benefits arising from contingencies prior to 1 January 2007, beneficiaries may apply the financial and tax arrangements in force on 31 December 2006.

2. In the case of benefits arising from contingencies arising from 1 January 2007 for collective insurance contracted before 20 January 2006, the tax regime in force may be applied at 31 December 2006. This scheme shall apply only to the part of the benefit corresponding to the premiums paid up to 31 December 2006, as well as the ordinary premiums provided for in the original policy after that date.

However, collective insurance contracts that implement the externalisation of pension commitments agreed in collective agreements in the field of supra-business under the name "retirement awards" or others, which consist of a benefit payable only once at the time of the retirement pension, signed before 31 December 2006, may apply the tax arrangements provided for in this paragraph 2.

Transient Disposition twelfth. Transitional arrangements applicable to pension schemes, social welfare insurance schemes and insured pension schemes.

1. In the case of benefits arising from contingencies prior to 1 January 2007, the beneficiaries may apply the financial scheme and, where appropriate, apply the reduction provided for in Article 17 of the recast of the Law of Tax on the Income of the Physical Persons in force at 31 December 2006.

2. In the case of benefits arising from contingencies arising from 1 January 2007, by the part corresponding to contributions made up to 31 December 2006, the beneficiaries may apply the financial scheme and, where appropriate, apply the reduction provided for in Article 17 of the recast of the Law on the Income Tax of the Physical Persons in force on 31 December 2006.

3. The limit laid down in Article 5 (2) (a) of this Law shall not apply to the amounts previously provided for social security systems before 1 January 2007 and which are to be reduced to this date by the taxable amount. failure of the same.

transient disposition thirteenth. Tax compensations.

The State General Budget Law will determine the procedure and conditions for the perception of tax compensation in the following cases:

(a) Taxpayers who receive deferred capital arising out of a life insurance or invalidity contract which generates capital returns contracted before 20 January 2006, in the event that the capital is deferred to the The application of the tax regime established in this Law for such income will be less favorable than the one regulated in the recast of the Law on the Income Tax of the Physical Persons. For these purposes, only the premiums paid up to 19 January 2006 and the ordinary premiums provided for in the original contract policy shall be taken into account after that date.

(b) Taxpayers who receive income from the transfer to third parties of their own capital from financial instruments contracted prior to 20 January 2006, in the event that the application of the Tax regime established in this law for such income will be less favourable than that regulated in the recast of the Income Tax Act of the Physical Persons.

(c) Taxpayers who had acquired their habitual dwelling before 20 January 2006 and were entitled to the deduction for purchase of housing, in the event that the application of the scheme established in the the law for such a deduction would be less favourable to them than the one regulated in the recast of the Income Tax Act of the Physical Persons as a result of the abolition of the percentages of deduction increased by the use of Foreign funding.

Transitional disposition fourteenth. Transformation of certain life insurance contracts into individual plans for systematic savings.

1. Life insurance contracts concluded before 1 January 2007 and in which the contractor, insured and beneficiary is the taxpayer himself, may be transformed into individual systematic savings plans regulated in the Additional provision of this Law, and therefore, Article 7.v) and the third provision of this same Law shall apply, at the time of the formation of the lifetime income provided that the following requirements are met:

(a) That the annual ceiling satisfied as a premium during the years of the insurance contract has not exceeded EUR 8,000, and the total amount of the premiums accumulated has not exceeded the amount of 240,000 euro per taxpayer.

b) That more than ten years have elapsed since the date of payment of the first premium.

2. Collective insurance schemes which implement pension commitments in accordance with the additional first provision of the recast of the Law on the Regulation of the Plans and Funds of the European Union shall not be converted into individual savings plans. Pensions, and social forecasting instruments that reduce the tax base.

3. At the time of the transformation, it shall be expressly and prominently stated in the conditioning of the contract that this is an individual plan of systematic saving regulated in the third provision of this Law.

4. Once the processing has been carried out, in the case of anticipation, in whole or in part, of the economic rights deriving from the life income constituted, the taxpayer must integrate in the tax period in which the advance is made, the income which was exempt by application of the provisions of Article 7 (v) of this Law, without the applicable transitional provision of this Law being applicable.

First repeal provision. Tax on the Income of Physical Persons.

1. At the entry into force of this Law, all the provisions that oppose the provisions of this Law will be repealed, and in particular the Royal Legislative Decree of March 5, which approves the recast of the Law of the Tax Law. on the Income of Physical Persons.

2. By way of derogation from the above paragraph, they shall retain their validity in respect of this Tax:

1. The second additional provision of Law 13/1985, of May 25, of investment coefficients, own resources and reporting obligations of financial intermediaries.

2. The Law 20/1990 of 19 December on the Tax Regime of Cooperatives, except as provided for in Article 32 thereof.

3. The additional sixteenth, seventeenth and twentieth of the third of the Law 18/1991, of June 6, of the Income Tax of the Physical Persons.

4. Articles 93 and 94 of Law 20/1991 of 7 June, amending the fiscal aspects of the Economic and Fiscal Regime of the Canary Islands.

5. Law 19/1994, of July 6, of modification of the Economic and Fiscal Regime of the Canary Islands.

6. The Royal Decree-Law 7/1994, of 20 June, on Freedom of Amortization for Investment Generating Investments.

7. The Royal Decree-Law 2/1995, of 17 February, on Freedom of Amortization for the Investment Generators.

8. The 11th transitional provision of Law 13/1996, of December 30, of Fiscal, Administrative and Social Order Measures.

9. Article 13 of Law 32/1999 of 8 October, of solidarity with the victims of terrorism.

10. The third and sixth additional provisions of Law 55/1999, of December 29, of fiscal, administrative and social order measures.

11. Law 49/2002, of December 23, of tax regime of non-profit entities and of tax incentives to patronage.

12. The second transitional provision of Law 19/2003 of 4 July on the legal regime of movements of capital and economic transactions with the outside and on certain measures to prevent money laundering of capital.

13. ° The additional fifth, eighteenth, thirtieth, 30th, fourth and thirteenth of Law 62/2003, of December 30, of fiscal, administrative and social order measures.

14. Article 5.7 of Royal Decree-Law 6/2004 of 17 September adopting urgent measures to repair damage caused by fires and floods in the Autonomous Communities of Aragon, Catalonia, Andalusia, La Rioja, Comunidad Foral de Navarra and Comunidad Valenciana.

15. º Article 1 of the recast of the Law on Civil and Safe Liability in the Movement of Motor Vehicles approved by the Royal Legislative Decree 8/2004 of 29 October.

16. Article 7 of Royal Decree-Law 8/2004 of 5 November on compensation to participants in international peace and security operations.

17. Article 5.7 of Law 2/2005 of 15 March 2005 adopting urgent measures to repair damage caused by fires and floods in the Autonomous Communities of Aragon, Catalonia, Andalusia, La Rioja, Comunidad Foral de Navarra and Comunidad Valenciana.

18. º Article 3.7 of Royal Decree-Law 11/2005, of 22 July, approving urgent measures in the field of forest fires.

3. The repeal of the provisions referred to in paragraph 1 shall not prejudice the rights of the public treasury in respect of obligations arising during its lifetime.

Repeal provision second. Corporation Tax.

1. With effect for the tax periods starting from 1 January 2007, Article 23 and Chapter VI of Title VII of the recast text of the Companies Tax Law, approved by the Royal Legislative Decree, are repealed. 4/2004, of 5 March.

2. For the purposes of the tax periods starting from 1 January 2011, Articles 36, 37 (4), (5) and (6) of Article 38, Articles 39, 40 and 43 of the recast of the Companies Tax Act, adopted, are repealed. by Royal Decree-Law 4/2004 of 5 March 2004.

3. With effect for the tax periods starting from 1 January 2012, Article 35 of the recast text of the Companies Tax Act, adopted by Royal Decree-Law 4/2004 of 5 March 2004, is repealed.

4. For the purposes of the tax periods starting from 1 January 2014, Article 34 (1) and Article 38 (1), (2), (3) and (7) of the recast text of the Companies Tax Act, adopted by the Commission, are hereby repealed. Real Legislative Decree 4/2004 of 5 March 2004.

Final disposition first. Amendment of the recast text of the Law on the Income Tax of the Physical Persons, approved by the Royal Legislative Decree of March 5.

1. With effect from 1 January 2006, the fifth transitional provision of the recast text of the Income Tax Act of the Physical Persons is amended, which will be worded as follows:

" Transient Disposition fifth. Transitional arrangements for life insurance contracts which generate increases or decreases in assets prior to 1 January 1999.

1. Where a deferred capital is received prior to 20 January 2006, the share of the benefit corresponding to each of the premiums paid before 31 December 1994 shall be reduced by 14,28 per 100 for each year, rounded up by excess, which is between the premium paid and 31 December 1994, after calculating the yield in accordance with Articles 23, 24 and 94 of this Law, except as provided for in the last subparagraph of paragraph 2 (b) of this Law. Article 94. Where

more than six years have elapsed between those dates, the percentage to be applied shall be 100 per 100.

2. Where a deferred capital is received as from 20 January 2006, the share of the benefit corresponding to each of the premiums paid before 31 December 1994, which had been generated before 20 January 2006, shall be 2006 shall be reduced in accordance with the provisions of paragraph 1 above.

For these purposes, in order to determine the part of the benefit which, corresponding to each of the premiums paid prior to 31 December 1994, has been generated before 20 January 2006, the by the weighting coefficient resulting from the following ratio:

In the numerator, the elapsed time between the premium payment and January 20, 2006.

In the denominator, the time between the payment of the premium and the date of receipt of the benefit. "

2. With effect from 1 January 2006, the ninth transitional provision of the recast text of the Income Tax Act of the Physical Persons is amended, which will be worded as follows:

" Transient disposition ninth. Capital gains derived from items previously acquired at 31 December 1994.

1. The amount of the capital gains relating to transfers of assets not affected by economic activities which had been acquired before 31 December 1994 shall be determined in accordance with the following conditions: rules:

A) Transmissions carried out until 19 January 2006.

1.) The property gains shall be calculated, for each asset item, as set out in Section 4. of Chapter I of Title II of the recast text of this Act.

The calculated wealth gain will be reduced as follows:

(a) The number of years between the date of acquisition of the item and 31 December 1996, rounded up by excess, shall be taken as a period of permanence in the assets of the taxpayer.

In the case of subscription rights it will be taken as a period of stay that corresponds to the values of which they proceed.

If improvements have been made to the transferred assets, the number of years between the date on which they were made and the number of years in the taxpayer's assets will be taken as the period of their stay in the taxpayer's assets. on 31 December 1996, rounded up by excess.

(b) If the assets transferred were immovable property, rights to the same or securities of the entities covered by Article 108 of Law 24/1988 of 28 July 1988 of the Securities Market, with the exception of the shares or shares representing the share capital or equity of the Companies or the Real Estate Investment Fund, the wealth gain shall be reduced by 11,11 per 100 for each year of permanence of those referred to in paragraph (a) above that exceeds two.

(c) If the transferred assets were shares admitted to trading on any of the regulated markets for securities as defined in Directive 2004 /39/EC of the European Parliament and of the Council of 21 April 2004 on the markets in financial instruments, and representative of the participation in own funds of companies or entities, with the exception of shares representing the share capital of Mobiliaria and Real Estate Investment Companies, the gain will be reduced by 25 per 100 for each year of permanence of the indicated in the paragraph (a) above that exceeds two.

(d) The remaining property gains shall be reduced by 14,28 per 100 for each year of permanence of the above mentioned in paragraph (a) above two.

(e) The assets derived from assets which were not subject to the assets held at 31 December 1996 and in accordance with paragraphs (b), (c) and (d) above were not subject to a period of stay, as is the case defined in subparagraph (a) above ten, five and eight years respectively.

2. (a) If improvements have been made to the transferred assets, the part of the disposal value corresponding to each component of the transfer shall be distinguished for the purposes of applying the provisions of Rule 1. previous.

B) Transmissions carried out from 20 January 2006.

1.) The portion of the wealth gain generated prior to 20 January 2006 shall be reduced in accordance with the provisions of point (A) above. For these purposes, the portion of the wealth gain generated prior to January 20, 2006 will be determined by the portion of the wealth gain that proportionally corresponds to the number of days between the date of acquisition and on

19 January 2006, both inclusive, in respect of the total number of days that would have remained in the taxpayer's estate.

The portion of the wealth gain generated prior to 20 January 2006 shall not be subject to the assets derived from the property assets as at 31 December 1996 and according to paragraphs (b), (c) and (d) of the rule 1. of point (A) above, have a period of stay, as defined in paragraph (a) of Rule 1 (a) above, greater than ten, five and eight years, respectively.

2. (a) In the case of securities admitted to trading on any of the regulated markets and of shares or units in collective investment institutions to which the scheme referred to in point (a) of the Article 35 (1) of this Law, property gains and losses shall be calculated for each value, share or share in accordance with Section 4. of Chapter I of Title II of this Law.

If, as a result of the provisions of the preceding paragraph, a wealth gain is obtained, the reduction shall be made as follows:

(a) If the transmission value is equal to or greater than that corresponding to the values, shares or units for the purposes of the 2005 Heritage Tax, the share of the wealth gain that would have been generated by Prior to 20 January 2006, it shall be reduced in accordance with the provisions of Rule 1. For these purposes, the property gain generated prior to 20 January 2006 shall be the part of the wealth gain resulting from taking as a transfer value the amount corresponding to the securities, shares or units for the purposes of the Heritage tax for the year 2005.

(b) If the value of transmission is lower than that corresponding to the values, shares or units for the purposes of the 2005 Heritage Tax, the wealth gain shall be reduced in accordance with the provisions of the (a) above.

2. For the purposes of this provision, economic activities shall be considered to be non-economic assets where the disaffection of these activities has occurred more than three years in advance of the date of transmission. "

3. With effect from 1 January 2006, a transitional provision is added fifteenth to the recast text of the Income Tax Act of the Physical Persons, which will be worded as follows:

" Transient disposition 15th. Transitional arrangements applicable in the event of death during the 2006 tax period.

In the case of the end of the 2006 tax period prior to the entry into force of the final provision of Law 35/2006, of the Income Tax of the Physical Persons and of partial modification of the The laws of corporate taxes, on the Income of non-residents and on the Patrimony, the successors of the causative shall apply in that declaration the transitional provisions fifth and ninth of this Law according to its wording in force to 31 of December 2005. "

Final disposition second. Amendment of the recast of the Companies Tax Law, approved by the Royal Decree of Law 4/2004 of 5 March and of Law 49/2002 of 23 December, of a tax regime of non-profit entities and of incentives Tax on patronage.

1. With effect for the tax periods starting from 1 January 2007, new wording is given to point 2. of Article 30 (4) (e) of the recast of the Company Tax Act, approved by the Royal Decree of the European Communities. Legislative Decree 4/2004 of 5 March 2004, which will be worded as follows:

" 2. The taxable person proves that an amount equivalent to the depreciation of the value of the participation has been integrated into the tax base of the Income Tax of the Physical Persons, in terms of income obtained by the successive natural persons who own the holding, on the occasion of their transfer. The deduction shall be partially applied where the proof referred to in this subparagraph is partial.

In this case, the deduction may not exceed the amount resulting from applying to the dividend or the participation in profits the type of tax that in the Income Tax of the Physical Persons corresponds to the capital gains integrated in the special part of the tax base or in the case of savings, in the case of transmissions made as from 1 January 2007. '

2. With effect for the tax periods starting from 1 January 2007, new wording is given to Article 43 of the recast text of the Companies Tax Act, approved by the Royal Legislative Decree 4/2004 of 5 March 2004, which it will be worded as follows:

" Article 43. Deduction for business contributions to employment pension schemes, social welfare insurance schemes which act as an instrument of social security provision, business social security schemes or contributions to assets protected from persons with disabilities.

1. The taxable person may make a deduction from the full 10 per cent of the business contributions charged in favour of workers with annual gross remuneration of less than EUR 27,000, provided that such contributions are make provision for occupational pension schemes, for business social security schemes, for pension schemes covered by Directive 2003 /41/EC of the European Parliament and of the Council of 3 June 2003 on the activities and supervision of

(a) the amount of the pension funds and the social security funds to be used as an instrument of social security for which the taxable person is a promoter.

2. The taxable person may also make a deduction from the total of 10% of the contributions made in favour of protected assets of workers with annual gross remuneration of less than EUR 27,000, or of their Relatives in direct or collateral line up to and including the third degree, of their spouses or of the persons in charge of such workers under the supervision or reception system governed by Law 41/2003 of 18 November of the Persons with Disabilities and Amendment of the Civil Code, of the Law of Civil Procedure and of the Tax rules for this purpose, according to the following rules:

(a) Contributions which generate the right to deduct the deduction provided for in this paragraph may not exceed EUR 8,000 per year for each worker or disabled person.

(b) Contributions exceeding the limit laid down in the preceding subparagraph shall entitle the deduction to be applied in the following four tax periods, until, where appropriate, the maximum amount which it generates in each of them is exhausted. the right to deduct.

Where deductions in the share for contributions made in the financial year are in the same tax period, deductions from previous financial years shall be made in the first place. from the contributions of the previous years, until the maximum amount generated by the right to deduction is exhausted.

(c) In the case of non-cash contributions, it shall be taken as the amount of the contribution as provided for in Article 18 of Law 49/2002 of 23 December of the tax regime of non-profit and non-profit entities. tax incentives for patronage.

The positive income tax will be exempt from the corporate tax on the occasion of the business contributions to protected assets.

3. In the case of workers with annual gross remuneration equal to or greater than EUR 27,000, the deduction provided for in paragraphs 1 and 2 above shall apply to the proportional share of the business contributions and contributions which correspond to the amount of the annual gross remuneration referred to in those paragraphs.

4. This deduction may not be applied in respect of contributions made under the transitional arrangements laid down in the fourth, fifth and sixth transitional provisions of the recast of the Law on the Regulation of Plans and Funds Pensions. It shall also not apply in the case of specific commitments undertaken with workers as a result of a record of employment regulation.

5. Where provisions of goods or rights are made to the protected heritage of the workers, their relatives, spouses or persons in charge of the workers under a supervision or a reception, in accordance with the terms laid down in the paragraphs (b) and (c) of Article 54 (5) of the Income Tax Act, the taxable person who made the contribution, in the period in which the requirements have been met, together with the quota corresponding to his tax period, shall enter the amount deducted as provided for in this Article, in addition to interest for late payment. "

3. With effect for the tax periods starting from 1 January 2007, new wording is given to Article 57 (1) of the recast text of the Companies Tax Act, approved by the Royal Decree-Law 4/2004, 5 March, which will be worded as follows:

" 1. Collective investment institutions governed by the Law on Collective Investment Institutions, with the exception of those subject to the general rate of charge, shall not be entitled to any deduction of the fee or the exemption from income at the base. taxable in order to avoid international double taxation. "

4. With effect for the tax periods starting from 1 January 2007, new wording is given to Article 67 (2) of the recast text of the Companies Tax Act, approved by the Royal Decree-Law 4/2004, 5 March, which will be worded as follows:

" 2. A dominant company shall be deemed to meet the following requirements:

(a) Having any of the legal forms set out in the previous paragraph or, failing that, having legal personality and being subject to and not exempt from the Company Tax. The permanent establishments of non-resident entities located in Spanish territory may be considered as dominant companies in respect of companies whose holdings are affected by it.

b) Having a direct or indirect participation of at least 75% of the share capital of another company or other companies on the first day of the tax period in which this tax regime applies.

c) That such participation is maintained throughout the tax period.

The requirement to maintain participation throughout the tax period shall not be required in the event of dissolution of the participating entity.

d) That is not dependent on any other resident in Spanish territory, who meets the requirements to be considered as dominant.

(e) Not subject to the special arrangements of economic, Spanish and European interest groups and temporary joint ventures.

(f) That, in the case of permanent establishments of non-resident entities in Spanish territory, those entities are not dependent on any other resident in Spanish territory who meets the requirements to be considered as a parent and resident in a country or territory with which Spain has an agreement to avoid double international taxation which contains an exchange of information clause. "

5. With effect for the tax periods starting from 1 January 2007, new wording is given to Article 94 (1) of the recast text of the Companies Tax Act, approved by the Royal Decree-Law 4/2004, 5 March, which will be worded as follows:

" 1. The scheme provided for in this Chapter shall apply, to the option of the taxable person of this tax or of the taxpayer of the Income Tax of the Physical Persons, to the non-cash contributions in which the following contributions are made requirements:

(a) That the entity receiving the contribution is resident in Spanish territory or carries out activities in the Spanish territory by means of a permanent establishment to which the assets are affected.

b) That once the contribution, the taxable person contributing to this tax or the taxpayer of the Income Tax of the Physical Persons, is involved, participate in the own funds of the entity that receives the contribution in, less, five percent.

(c) That, in the case of a contribution of shares or social contributions by taxpayers of the Income Tax of the Physical Persons, they shall be fulfilled in addition to the requirements set out in paragraphs (a) and (b), following:

1. º that the entity whose social capital is representative is resident in Spanish territory and that the entity does not apply the special regime of economic interest groups, Spanish or European, and temporary unions of undertakings, provided for in this Law, nor has the management of a property, movable or immovable property in the terms provided for in Article 4 (2) of Law 19/1991 of 6 June 1991, as the principal activity of the Assets and does not meet the other requirements laid down in the fourth subparagraph of Article 1 (1) 116 of this Act.

2. º That represent a participation of at least five percent of the entity's own funds.

3. º That are held uninterruptedly by the contributor during the year before the date of the public document in which the contribution is formalized.

(d) That, in the case of contributions of assets other than those referred to in paragraph (c) by taxpayers of the Income Tax of the Physical Persons, those elements are affected by economic activities whose accounting is carried out in accordance with the provisions of the Trade Code. '

6. With effect for the tax periods starting from 1 January 2007, new wording is given to Article 107 (10) of the recast text of the Companies Tax Act, approved by the Royal Decree-Law 4/2004, of 5 March, which shall be worded as follows:

" 10. In order to calculate the income derived from the direct or indirect transmission of the holding, the acquisition value shall be increased by the amount of the positive income which, without effective distribution, would have been included in the taxable amount of the partners as income from their shares or units in the period of time between their acquisition and transmission.

In the case of companies that have as their principal activity the management of a property or property in the terms provided for in Article 4 (2) of Law 19/1991, of 6 June, of the Tax on Heritage, the transmission value to be computed shall be at least the theoretical resulting from the last closed balance sheet, after the accounting value of the assets for the value they would have for the purposes of the Heritage Tax or the normal value of the assets market if this is lower. "

7. With effect for the tax periods starting from 1 January 2007, new wording is given to Article 116 (1) of the recast text of the Companies Tax Act, approved by the Royal Decree-Law 4/2004, 5 March, which will be worded as follows:

" 1. Institutions whose social object includes the management and administration of securities representative of the own funds of non-resident entities on Spanish territory may be eligible under the scheme provided for in this Chapter. corresponding organization of material and personal means.

The securities or shares representative of the holding in the capital of the holding of foreign securities shall be nominative.

Entities subject to the special schemes of economic, Spanish and European interest groups and temporary joint ventures shall not be eligible for the scheme of this Chapter.

Neither may the entities which have as their principal activity the management of a property or property in the terms provided for in Article 4 (2) of Law 19/1991, of 6 June, benefit from the tax on A Heritage, provided that at the same time of at least 90 days of the social year more than 50% of the share capital belongs, directly or indirectly, to 10 or fewer members or to a family group, on the understanding of these effects consisting of the spouse and the other persons joined by links of kinship, in direct line or collateral, consanguine or affinity, up to and including the fourth grade, except that all the partners are legal persons who in turn do not comply with the above conditions or where a legal person governed by public law is the holder of more than 50% of the capital, as well as when the securities representing the institution's participation are admitted to trading on any of the official secondary markets of securities provided for in law 24/1988 of 28 July 1988, Stock Market. "

8. With effect for the tax periods starting from 1 January 2007, new wording is given to Article 118 (1) (b) of the recast text of the Companies Tax Act, approved by the Royal Decree Legislative 4/2004 of 5 March, which will be worded as follows:

" (b) When the recipient is a taxpayer of the Income Tax of the Physical Persons, the distributed profit shall be considered as general income and the deduction for international double taxation may be applied in the provided for in the Income Tax of the Physical Persons, in respect of taxes paid abroad by the entity holding securities and corresponding to the exempt income that contributed to the formation of the profits perceived. "

9. With effect for the tax periods starting from 1 January 2007, new wording is given to Article 123 (4) of the recast text of the Companies Tax Act, approved by the Royal Decree-Law 4/2004, 5 March, which will be worded as follows:

" 4. The members or members of the communities who hold common hand-held neighborhood mountains shall integrate into the base of the Income Tax of the Physical Persons the amounts that are effectively distributed to them by the community. Such income shall be treated as intended for the benefit of any kind of entity, as referred to in paragraph 1 (a) of Article 25 of Law 35/2006, of the Income Tax of the Physical Persons and of partial modification of the laws of corporate taxes, on the Income of non-residents and on the Heritage. "

10. With effect from 1 January 2007, new wording is given to Article 140 (6) of the recast text of the Companies Tax Act, approved by Royal Decree-Law 4/2004 of 5 March 2004, which will be drawn up by the European Parliament. next way:

" 6. The percentage of retention or income on account will be as follows:

a) With a general character, 18 per 100.

In the case of income from the lease or sub-lease of urban buildings located in Ceuta, Melilla or its premises, obtained by entities domiciled in or operating in those territories, establishment or branch, this percentage being divided by two.

(b) In the case of income from the transfer of the right to the exploitation of the image or the consent or authorisation for use, 24 per 100.

Reglamentarily the percentages of retention and entry to account provided for in this paragraph may be modified. "

11. With effect for the tax periods starting from 1 January 2007, an additional eighth provision is added to the recast text of the Companies Tax Act, approved by Royal Decree-Law 4/2004 of 5 March 2004, which is worded as follows:

" Additional disposal octave. Type of tax on corporation tax.

1. The general rate of taxation laid down in Article 28 (1) of this Law shall be:

32.5 percent, for tax periods initiated as of January 1, 2007.

30 percent, for tax periods initiated as of January 1, 2008.

The reference in the third paragraph of Article 28 (7) of this law to the rate of charge of 35% shall be understood to be the same as the rate of charge of the preceding paragraph.

2. The rate of charge laid down in Article 28 (7) of this Law shall be:

37.5 percent, for tax periods initiated as of January 1, 2007.

35 percent, for tax periods initiated as of January 1, 2008.

The reference in Article 30 (5) of this Law to the rate of charge of 40% shall be understood to be the same as the rate of charge of the preceding paragraph. "

12. With effect for the tax periods starting from 1 January 2007, new wording is given to Article 114 of the recast text of the Companies Tax Act, approved by Royal Decree-Law 4/2004 of 5 March 2004, which is worded as follows:

" Article 114. Type of lien.

Entities that meet the forecasts provided for in Article 108 of this Act shall be taxed on the basis of the following scale, except if, in accordance with Article 28 of this Law, they are to be taxed at a different rate. from general:

(a) For the taxable amount between 0 and 120,202,41 euro, at the rate of 25%.

b) For the remaining taxable amount, at the rate of 30 percent.

When the tax period is shorter than the year, the share of the tax base that will be taxed at the rate of 25% will be that of applying to EUR 120,202.41 the proportion in which the number of days of the tax period between 365 days, or the taxable amount of the tax period when it is lower. "

13. With effect for the tax periods starting from 1 January 2007, an additional provision is added to the recast text of the Companies Tax Act, which was approved by Royal Decree-Law 4/2004 of 5 March 2004. which is worded as follows:

" Additional provision ninth. Reduction of the export activity bonus.

The allowance referred to in Article 34 (1) of this Law shall be determined by multiplying the percentage of the allowance set out in that paragraph by the following coefficient:

0.875, in the tax periods initiated as of 1 January 2007.

0.750, in the tax periods initiated as of 1 January 2008.

0.625, in the tax periods initiated as of 1 January 2009.

0.500, in the tax periods initiated as of 1 January 2010.

0.375, in the tax periods initiated as of 1 January 2011.

0.250, in the tax periods initiated as of 1 January 2012.

0.125, in the tax periods initiated as of 1 January 2013.

The percentage of bonus that will result will be rounded to the top unit. "

14. With effect for the tax periods starting from 1 January 2007, an additional tenth provision is added to the recast text of the Companies Tax Act, approved by Royal Decree-Law 4/2004 of 5 March 2004, which is worded as follows:

" Additional Disposition 10th. Reduction of deductions in the full share of Corporate Tax to encourage the performance of certain activities.

1. The deductions provided for in Articles 36 (4), (5) and (6), Articles 39, 40 and 43 of this Law shall be determined by multiplying the percentages of deduction laid down in those Articles by the following coefficient:

0.8, in the tax periods initiated as of 1 January 2007.

0.6, in the tax periods initiated as of 1 January 2008.

0.4, in the tax periods initiated as of 1 January 2009.

0.2, in the tax periods initiated as of 1 January 2010.

The percentage of deduction that will result will be rounded to the top unit.

2. The deductions provided for in Article 35 of this Law shall be determined by multiplying the deduction percentages set out in that Article by the following coefficient:

0.92, in the tax periods initiated as of 1 January 2007.

0.85, in the tax periods initiated as of 1 January 2008.

The percentage of deduction that will result will be rounded to the lower unit.

3. In order to determine the deduction provided for in Article 37 of this Law, the percentage of deduction applicable in the tax periods referred to in paragraph 1 shall be 12, 9, 6 and 3 per cent respectively.

4. The deductions provided for in Article 38 (1), (2) and (3) of this Law shall be determined by multiplying the deduction percentages set out in those paragraphs by the coefficients laid down in the additional provision of this Law. The percentage of deduction that will result will be rounded to the top unit.

15. For the purposes of the tax periods starting from 1 January 2007, a transitional provision has been added to the recast text of the Companies Tax Act, approved by the Royal Decree-Law 4/2004 of 5 December 2007. March, which will be worded as follows:

" Nineteenth Transient Disposition. Transitional regime in the Tax on Companies of deduction for investments for the implementation of companies abroad.

Deductions in the tax base practiced during tax periods initiated before 1 January 2007 under Article 23 of this Law will be regulated by the provisions of this Law, even if the integration at the base taxable and other requirements occur in tax periods initiated from that date. '

16. With effect for the tax periods starting from 1 January 2007, a transitional provision is added to the recast text of the Companies Tax Act, approved by the Royal Decree-Law 4/2004, of 5 December 2007. March, which will be worded as follows:

" Transient disposition. Transitional regime in the Tax on Deductions Societies to avoid double taxation.

1. The deductions provided for in Article 30 of this Law, which are pending to be applied at the beginning of the first tax period starting from 1 January 2007, may be deducted in the tax periods concluded within the period from 1 January 2007. of the remainder of the period laid down in that Article. The amount of the deduction shall be calculated taking into account the rate of charge in the tax period in which it is applied.

2. The deductions which resulted from the application of Articles 29a and 30a of Law 43/1995 of 27 December of the Corporate Tax and Articles 31.1.b) and 32.3 of this Law which were pending for the application of the the beginning of the first tax period starting from 1 January 2007, may be deducted in the tax periods to be concluded within the remainder of the period laid down in the said Articles. The amount of the deduction shall be determined taking into account the rate of charge in the tax period in which it is applied.

3. The provisions of the two preceding paragraphs shall also apply to the deductions referred to in Articles 30, 31.1.b) and 32.3 of this Law, which are generated in tax periods initiated as from 1 January 2007 when they are applied in subsequent tax periods in which the rate of charge is different from the one in which they were generated. "

17. With effect for the tax periods starting from 1 January 2007, a transitional provision twenty-first is added to the recast text of the Companies Tax Act, approved by the Royal Decree-Law 4/2004, of 5 March, which will be worded as follows:

" The 21st transient disposition. Transitional regime in the Tax on Deductions Societies to encourage the realization of certain activities pending practice.

1. The deductions provided for in Articles 36, 37, 4, 5 and 6 of Article 38, Articles 39, 40 and 43 of this Law, pending application at the beginning of the first tax period starting from 1 January 2011, may be applied within the time limit and with the requirements laid down in Chapter IV of Title VI of this Law, in accordance with the wording of 31 December 2010. Those requirements are equally applicable to the consolidation of deductions in tax periods initiated before that date.

2. The deductions provided for in Article 35 of this Law, pending application at the beginning of the first tax period starting from 1 January 2012, may be applied within the time limit and with the requirements laid down in Chapter IV. of Title VI of this Law, in accordance with the wording of 31 December 2011. Those requirements are equally applicable to the consolidation of deductions in tax periods initiated before that date.

3. The deductions provided for in Article 38 (1), (2) and (3) of this Law, pending application at the beginning of the first tax period starting from 1 January 2014, may be applied within the time limit and with the requirements laid down in Article 38 (3). established in Chapter IV of Title VI of this Law, in accordance with the wording of 31 December 2013. Those requirements are equally applicable to the consolidation of deductions in tax periods initiated before that date. '

18. With effect for the tax periods starting from 1 January 2007, a transitional provision twenty-second is added to the recast text of the Companies Tax Act, approved by the Royal Decree-Law 4/2004, of 5 March, which will be worded as follows:

" Transient disposition twenty-second. Transitional arrangements for heritage companies. Taxation by the general scheme.

1. The tax base of the property companies whose tax period has been initiated in 2006 and concluded in 2007 will be determined, if appropriate, by applying the rules of the recast text of the Income Tax Law. Physical, approved by Royal Legislative Decree 3/2004, of 5 March, in accordance with the wording of 31 December 2006.

2. The integration of income earned and not integrated into the tax base of the tax periods in which the tax society in the system of the assets companies will be carried out in the tax base of the Company Tax for the first tax period starting from 1 January 2007. Income which has been incorporated into the taxable amount of the taxable person in application of the system of property companies shall not be incorporated again on the occasion of his accrual.

3. The negative tax bases generated during the tax periods in which the system of the property companies which were due to compensate at the beginning of the first tax period, starting from 1 January, has been applied. January 2007, may be compensated under the conditions and requirements set out in Article 25 of this Law.

4. The double taxation deductions referred to in Article 81 of the recast of the Law on the Income Tax of the Physical Persons, approved by Royal Legislative Decree 3/2004 of 5 March, generated in periods (a) the tax on which the scheme of the property companies, which were pending to be applied at the beginning of the first tax period starting from 1 January 2007, may be deducted, may be deducted from 50 or 100 per cent. (c) the conditions and requirements laid down in Article 30 of this Law.

5. The deductions in the full quota referred to in article 69.2 of the recast of the Law on the Income Tax of the Physical Persons, approved by the Royal Legislative Decree 3/2004 of 5 March, generated in tax periods in that the arrangements for the property companies, which were pending to be applied at the beginning of the first tax period starting from 1 January 2007, have

been applied, may be deducted under the conditions and requirements established in Chapter IV of Title VI of this Law.

6. The distribution of profits obtained in financial years in which the special scheme of the property companies has been applied, irrespective of the entity which deals with the profits made by the property companies, the time in which the allocation is made and the special tax regime applicable to the entities at that time, shall receive the following treatment:

(a) Where the recipient is a taxpayer of the Income Tax of the Physical Persons, the dividends and the interest in profits as referred to in Article 25 (1) (a) and (b) of Law 35/2006, Tax on the Income of the Physical Persons and the partial modification of the Laws of the Taxes on Societies, on the Income of Non-Residents and on the Heritage, will not be integrated into the income of the tax period of the tax. The dividend distribution will not be subject to withholding or income on account.

(b) Where the recipient is a taxable person of the Company Tax or a non-resident income tax payer with permanent establishment, the perceived benefits shall in any event be integrated into the tax base and will entitle the deduction for double taxation of dividends in the terms set out in Article 30 (1) and (4) of this Law.

(c) Where the recipient is a non-resident Income Tax taxpayer without permanent establishment, the received benefits shall be treated in accordance with the provisions of the text recast of the Non-Resident Tax Act for these taxpayers.

7. The income obtained in the transfer of the share in companies which correspond to reserves accruing from profits earned in financial years in which the regime of the property companies has been applied, whichever is the the entity whose units are transmitted, the time at which the transmission is carried out and the special tax regime applicable to the entities at that time, shall receive the following treatment:

(a) Where the transmitte is a taxpayer of the Income Tax of the Physical Persons, for the purposes of determining the profit or loss, the provisions of Article 35.1.c of the recast text shall apply. the Law on the Income Tax of the Physical Persons, approved by Royal Legislative Decree 3/2004 of 5 March, in force on 31 December 2006.

(b) Where the transferor is an entity subject to the Company Tax, or a non-resident Income Tax taxpayer with permanent establishment, in no case may the deduction be applied to avoid the double taxation on domestic source capital gains on the terms set out in Article 30 of this Act.

In determining these rents, the transmission value to be computed shall be at least the theoretical resulting from the last closed balance sheet, after the accounting value of the assets not affected by the value they would have the effects of the Heritage Tax, or the normal market value if it is lower.

The provisions of the first paragraph shall also apply in the cases referred to in Article 30 (3) of this Law.

(c) When the transferor is a non-resident Income Tax taxpayer without permanent establishment, he/she will have the appropriate treatment in accordance with what is established for these taxpayers in the text recast of the Non-Resident Income Tax Act.

8. The companies that were taxed in this special scheme must continue to comply with the reporting obligations under the terms of Article 47 of the Company Tax Regulation, approved by Royal Decree 1777/2004 of 30 June 2004. July. "

19. With effect for the tax periods starting from 1 January 2007, a transitional provision twenty-third is added to the recast text of the Companies Tax Act, approved by the Royal Decree-Law 4/2004, of 5 March, which will be worded as follows:

" Twenty-third transient disposition. Transitional bonus scheme for export activities.

The allowance provided for in Article 34 (1) of this Law, which is applied in tax periods initiated before 1 January 2014, according to its wording in force in those periods, will be conditional on compliance with the the requirements laid down in that Article, even if the reinvestment takes place in a tax period initiated from that date. '

20. For the purposes of the tax periods initiated as from 1 January 2007, the first subparagraph of Article 27 (3) of Law 49/2002 of 23 December of the tax regime of non-profit and non-profit entities is hereby amended. tax incentives for sponsorship, without prejudice to its application in its original wording for events which have been regulated by legal rules approved before that date, which shall be worded as follows:

" First.-The taxable persons of the Company Tax, the taxpayers of the Income Tax of the Physical Persons who carry out economic activities under direct estimation and the tax payers on the Income of non-residents who operate in Spanish territory by permanent establishment may deduct from the full quota of the tax the 15 per 100 of the expenses that, in compliance with the plans and programs of activities established by the consortium or by the administrative

organ concerned, carry out in the propaganda and multi-annual projection advertising that directly serve to promote the respective event.

The amount of this deduction may not exceed 90 per 100 of the donations made to the consortium, public ownership entities or entities referred to in Article 2 of this Law, which are responsible for carrying out programs and activities related to the event. If this deduction is applied, such donations will not qualify for any of the tax incentives provided for in this Act.

When the content of the advertising support is essential to the disclosure of the event, the basis of the deduction shall be the total amount of the expenditure incurred. Otherwise, the basis of the deduction will be 25 per 100 of that expense.

This deduction will be calculated in conjunction with those regulated in Chapter IV of Title VI of the recast of the Law on Corporate Tax, approved by Royal Decree-Law 4/2004 of 5 March 2004, for the purposes of set out in Article 44 thereof. '

21. With effect for the tax periods starting from 1 January 2007, a transitional provision twenty-fourth is added to the recast text of the Companies Tax Act, approved by the Royal Decree-Law 4/2004, 5 March, which will be worded as follows:

" Twenty-fourth transient disposition. Dissolution and liquidation of property companies.

1. They may agree to be wound up and wound up, subject to the tax arrangements provided for in this provision, to the companies in which the following circumstances apply:

(a) That they would have had the consideration of heritage companies, in accordance with the provisions of Chapter VI of Title VII of this Law, in all the tax periods initiated as of 1 January 2005 and that the maintain until the date of their extinction.

(b) That in the first six months from the beginning of the first tax period starting from 1 January 2007, the settlement agreement is validly adopted and completed after the agreement, within six months of its adoption, all legal acts or businesses necessary, in accordance with the rules of trade, until the cancellation of the company in liquidation.

2. The dissolution with liquidation of such companies shall have the following tax regime:

(a) Exemption from the Tax on Proprietary Transmissions and Documented Legal Acts, concept "corporate operations", taxable "dissolution of companies", Article 19.1.1. of the recast of the tax, approved by the Royal Legislative Decree 1/1993 of 24 September.

(b) The Tax on the Increase in the Value of the Land of Urban Nature shall not be established on the occasion of the awards to the members of buildings of an urban nature. In the subsequent transmission of the aforementioned buildings, it will be understood that these were acquired on the date that they were acquired by the company that is extinct.

(c) For the purposes of the Company Tax which is dissolved, no income shall be earned on the occasion of the attribution of property or rights to the members, natural or legal persons, residing in Spanish territory.

(d) For the purposes of the Income Tax of the Physical Persons, the Corporate Tax or the Income Tax of non-residents of the society's partners that dissolves:

1. The value of the acquisition and, where applicable, the ownership of the shares or units in the capital of the company that dissolves, determined in accordance with the provisions of Article 35.1.c) of the recast of the Law The Tax on the Income of the Physical Persons, approved by Royal Legislative Decree 3/2004, of March 5, will be increased in the amount of the debts awarded and will be reduced in the amount of the credits and money or sign that represents it awarded.

2. º If the result of the operations described in the preceding paragraph is negative, the result shall be deemed to be income or property gain, depending on whether the partner is a legal or natural person, respectively, without it is applicable to the provisions of the ninth transitional provision of the Law on the Income Tax of Physical Persons.

In this case, each of the remaining asset items awarded other than the credits, money, or sign representing it, will be considered to have a zero acquisition value.

3. º If the result of the operations described in paragraph 1. above is zero or positive, no income or loss or property gain shall be deemed to exist.

When that result is zero, each of the remaining asset items awarded other than the credits, money, or sign that represents it, will have a zero acquisition value.

If the result is positive, the acquisition value of each of the remaining assets awarded other than the credits, money or sign representing it, will be the result of distributing the positive result. between them according to the market value resulting from the final balance sheet of the company that is extinguished.

4. The elements awarded to the partner, other than the credits, money or sign representing it, shall be deemed to have been acquired by the member on the date of its acquisition by the company, without, in the calculation of the amount of the Property gains result from the application of the provisions of the ninth transitional provision of the Law on the Income Tax of the Physical Persons.

3. During the tax periods ending until the end of the dissolution process with liquidation, provided that the cancellation is made within the time limit specified in paragraph 1 (b) of this transitional provision, continue to apply, both by the heritage companies and by its partners, to the rules in force at 31 December 2006, except for the tax rate of the special part of the tax base which will be 18%. In those tax periods, the provisions of the ninth transitional provision of the Income Tax Law of the Physical Persons shall not apply in the event of the transfer of shares or units of such companies.

When the cancellation is made after that deadline, the general scheme will apply. "

22. With effect for the tax periods starting from 1 January 2007, new wording is given to Article 42 of the recast of the Companies Tax Act, approved by the Royal Legislative Decree 4/2004 of 5 March 2004, which it will be worded as follows:

" Article 42. Deduction for reinvestment of extraordinary profits.

1. Deduction in full quota.

It will be deducted from the full quota of 12% of the positive income obtained in the onerous transfer of the assets established in the following paragraph integrated in the taxable base subject to the general rate the tax or the scale provided for in Article 114 of this Law, subject to reinvestment, in the terms and conditions of this Article.

This deduction will be 7 percent, 2 percent or 17 percent when the tax base is taxed at rates of 25 percent, 20 percent, or 35 percent, respectively.

The reinvestment condition shall be deemed to be met if the amount obtained in the onerous transfer is reinvested in the assets referred to in paragraph 3 of this Article and the income is derived from the items property listed in paragraph 2 of this Article.

This deduction shall not apply to the limit referred to in the last subparagraph of paragraph 1 of Article 44 of this Law. For the purposes of calculating that limit, this deduction shall not be computed.

2. Heritage items transmitted.

The assets transmitted, which are liable to generate income that constitute the basis of the deduction provided for in this article, are as follows:

(a) Those belonging to the tangible and intangible fixed assets to economic activities that have been in operation for at least one year prior to the transmission.

(b) Securities representative of the holding in the capital or in own funds of all kinds of entities which grant a share of not less than 5% of their capital and which have been held for at least one year prior to the date of transmission, provided that it is not a transaction for the dissolution or liquidation of those entities. The computation of the transmitted participation shall relate to the tax period.

For the purpose of calculating the time of possession, the values transmitted shall be understood to have been the oldest.

3. Heritage elements that are the subject of reinvestment.

The assets in which the amount obtained in the transmission generated by the income from the deduction must be reinvested are as follows:

(a) Those belonging to the tangible and intangible fixed assets to economic activities whose entry into operation takes place within the time limit for reinvestment.

(b) The securities representative of the equity or equity of all kinds of entities that grant a share of not less than 5 percent of the share capital of those entities. The calculation of the acquired share shall relate to the time limit for reinvestment. These securities will not be able to generate another tax incentive at the level of taxable base or full share. For these purposes, a tax incentive

shall not be considered to be value adjustments, exemptions as referred to in Article 21 of this Law, nor deductions to avoid double taxation.

The deduction for the acquisition of securities representing the participation in own funds of non-resident entities in Spanish territory is incompatible with the deduction set out in Article 12.5 of this Law.

4. The following values shall not be understood as falling within paragraph (b) of paragraphs 2 and 3 of this Article:

a) That they do not grant a share in the equity or equity capital.

b) be representative of the participation in the share capital or in the own funds of non-resident entities in Spanish territory whose income is not eligible for the exemption provided for in Article 21 of this Act.

(c) Be representative of financial collective investment institutions.

(d) are representative of entities which have as their principal activity the management of a property or property in the terms provided for in Article 4.Ocho.Two of Law 19/1991 of 6 June of the Tax on the Heritage.

(e) are representative of entities where more than half of their assets are made up of assets which do not have the consideration of tangible, intangible or non-tangible fixed assets as referred to in paragraph (b) of the two previous paragraphs, with the specialties of this paragraph. These measures shall be determined in accordance with the approved balance sheets for the financial year in which the holding is transmitted or acquired and the two preceding immediate financial years.

5. Reinvestment shall not be understood where the acquisition is carried out by means of transactions carried out between entities within the same group within the meaning of Article 16 of this Act under the special arrangements laid down in Chapter VIII of the Title VII of this Law. Reinvestment shall also not be understood where the acquisition is made to another entity of the same group within the meaning of Article 16 of this Act, except in the case of new tangible assets.

6. Time limit for reinvestment.

(a) Reinvestment must be made within the period from the year before the date of the making available of the transferred assets and the three years after, or, exceptionally, in accordance with a plan A reinvestment special approved by the tax administration on a proposal from the taxable person. Where two or more transmissions have been carried out in the tax period of securities representing the equity or equity of all types of institutions, that period shall be computed from the end of the period tax.

Reinvestment shall be deemed to be effected on the date on which the making available of the assets in which it materializes occurs.

(b) In the case of property assets which are the subject of the leasing contracts referred to in paragraph 1 of the seventh additional provision of Law 26/1988 of 29 July on discipline and (a) a reinvestment shall be deemed to have been made on the date on which the item is made available to the asset item under the contract, for an amount equal to its cash value. The effects of reinvestment shall be conditional, in a resolutive manner, on the exercise of the option to buy.

(c) The deduction shall be made in the full quota corresponding to the tax period in which the reinvestment is made. Where the reinvestment has been carried out prior to the transfer, the deduction shall be made in the full quota corresponding to the tax period in which such a transfer is made.

7. Base of the deduction.

The basis of the deduction is the amount of the income obtained in the transfer of the assets referred to in paragraph 2 of this Article, which has been integrated into the tax base. For the sole purpose of calculating this deduction basis, the value of the transfer shall not exceed the market value.

They shall not form part of the income obtained in the transfer the amount of the provisions relating to the assets or securities, as soon as the allocations to these items have been fiscally deductible, or the amounts applied to the freedom of redemption, or to the recovery of the cost of the well-fiscally deductible as provided for in Article 115 of this Law, which must be integrated into the tax base on the occasion of the transfer of the assets which received such schemes.

The portion of the income obtained in the transmission that has generated the right to practice the double taxation deduction shall not be included in the deduction base.

The inclusion in the basis of deduction of the amount of income obtained in the transfer of the assets whose acquisition or subsequent use generates deductible expenses, whatever the exercise in which they are accrual, shall be incompatible with the deduction of such expenditure. The taxable person may choose to benefit from the deduction for reinvestment and the deduction of the said expenses. In such a case, the loss of the right of this deduction shall be regulated in the form set out in Article 137.3 of this Act.

In the case of assets referred to in paragraph 2 (a) of this Article, the income obtained shall be corrected, where appropriate, in the amount of the monetary depreciation in accordance with the provisions of paragraph 2. 10 of Article 15 of this Law.

Reinvestment of less than the amount obtained in the transfer shall entitle the deduction established in this article, the basis of the deduction being the part of the income that is proportionally corresponding to the amount reinvested.

8. Maintenance of the investment.

(a) The assets subject to the reinvestment must remain in operation in the assets of the taxable person, unless otherwise justified, until the period of five years, or three years, is met. movable property, except where its life is useful in accordance with the method of depreciation of those admitted under Article 11 of this Law, which applies, whichever is the lower.

(b) The transfer of the assets to be reinvested before the end of the period referred to in subparagraph (a) above shall determine the loss of the deduction, except if the amount obtained or the net value accounting, if it were less, is subject to reinvestment in the terms set out in this article. In such a case, the loss of the right of this deduction shall be regulated in the form set out in Article 137.3 of this Act.

9. Special reinvestment plans.

When it is proved that, due to its technical characteristics, the investment or its entry into operation must necessarily be carried out within a period exceeding that provided for in paragraph 6 of this Article, taxable persons may submit special reinvestment plans. The procedure for the submission and approval of special reinvestment plans shall be established.

10. Formal requirements.

The taxable persons shall record in the memory of the annual accounts the amount of the income received for the deduction provided for in this Article and the date of the reinvestment. Such mention shall be made as soon as the maintenance period referred to in paragraph 8 of this Article is not met.

11. The deduction percentages of 12 and 17 per cent as set out in paragraph 1 of this Article shall be, respectively, 14,5 and 19,5 per cent, whichever is the tax period in which the deduction is applied, for the income integrated into the tax base of the tax periods started in 2007.

12. In the case of income which is incorporated in the tax base of tax periods initiated before 1 January 2007, the reinvestment deduction shall be governed by the provisions of Article 42 as in force on 31 December 2006, whatever the period in which the deduction is practised. "

23. With effect for the tax periods starting from 1 January 2007, a transitional provision is added twenty-fifth to the recast text of the Companies Tax Act, approved by the Royal Decree-Law 4/2004, of 5 March, which will be worded as follows:

" Twenty-fifth transient disposition. Deduction for reinvestment of extraordinary profits.

The last paragraph of Article 42 (3) of this Law shall not apply to reinvestments made in the tax periods initiated in 2007, whatever the tax period in which the tax period is the value correction is practiced. "

Final disposition third. Amendment of the recast text of the Non-Resident Income Tax Act, approved by the Royal Legislative Decree 5/2004, of 5 March.

1. With effect for the tax periods starting from 1 January 2007, an additional provision is added to the recast text of the Non-Resident Income Tax Act, approved by the Royal Legislative Decree. 5/2004, of 5 March, which will be worded as follows:

" Additional Disposition Second. Types of liens.

1. The rate of charge of the 35 per cent laid down in Article 19 (1) and in paragraph 1, 2. of this Law, of Article 38 shall be:

32.5 percent, for tax periods initiated as of January 1, 2007.

30 percent, for tax periods initiated as of January 1, 2008.

2. The rate of charge of 40 percent laid down in Article 19 (1) of this Law shall be:

37.5 percent, for tax periods initiated as of January 1, 2007.

35 percent, for tax periods initiated as of January 1, 2008. "

2. New wording is given to Article 14 of the recast text of the Non-Resident Income Tax Act, approved by the Royal Legislative Decree 5/2004 of 5 March, which will be worded as follows:

" Article 14. Exempt income.

1. The following income shall be exempt:

(a) The income mentioned in Article 7 of the recast of the Law on the Income Tax of the Physical Persons, approved by the Royal Legislative Decree 3/2004 of 5 March, except those mentioned in the letter and), received by natural persons, as well as the care pensions for old people recognised under Royal Decree 728/1993 of 14 May, establishing pensions for the elderly in favour of Spanish emigrants.

(b) Grants and other amounts received by natural persons, satisfied by public administrations, under international agreements and conventions for cultural, educational and scientific cooperation or under the plan annual international cooperation approved by the Council of Ministers.

(c) Interest and other income obtained by the transfer to third parties of capital as referred to in Article 23.2 of the recast of the Law on the Income Tax of the Physical Persons, approved by the Royal Legislative Decree 3/2004 of 5 March, as well as property gains derived from movable property, obtained without permanent establishment, by residents of another Member State of the European Union or by establishments permanent members of such residents located in another Member State of the European Union.

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

1. º When the asset of such entity consists primarily, directly or indirectly, in real estate located in Spanish territory.

2. º When, at some point, during the 12-month period preceding the transmission, the taxpayer has participated, directly or indirectly, in at least 25 per 100 of the capital or equity of that entity.

(d) Yields derived from Public Debt, obtained without permanent establishment mediation in Spain.

(e) Income derived from securities issued in Spain by natural persons or non-resident entities without permanent establishment mediation, irrespective of the place of residence of the financial institutions acting as such as payment agents or mediate in the issue or transfer of securities.

However, where the holder of the securities is a permanent establishment on Spanish territory, the income referred to in the preceding paragraph shall be subject to this tax and, where applicable, to the withholding tax system, to be practiced by the resident financial institution acting as the depositary of the securities.

(f) The income of the non-resident accounts, which are satisfied to taxpayers for this tax, except that the payment is made to a permanent establishment located in Spanish territory, by the Banco de España, or by the registered entities referred to in the rules of economic transactions with the outside.

(g) Income obtained on Spanish territory, without permanent establishment in the territory of Spain, from the lease, transfer or transfer of containers or vessels and aircraft to the bare hull used in the maritime or international air navigation.

(h) profits distributed by subsidiary companies resident in Spanish territory to their parent companies resident in other Member States of the European Union or to the permanent establishments of the latter located in other Member States, where the following requirements are met:

1. That both companies are subject to and not exempt from any of the taxes on the benefits of legal entities in the Member States of the European Union, as referred to in Article 2 (c) of Directive 90 /435/EEC the Council of 23 July 1990 on the arrangements applicable to parent companies and subsidiaries of different Member States and permanent establishments are subject to and not exempt from taxation in the State in which they are located.

2. That the distribution of profit is not a consequence of the liquidation of the subsidiary.

3. The two companies are in one of the forms set out in the Annex to Council Directive 90 /435/EEC of 23 July 1990 on the arrangements applicable to parent companies and subsidiaries of Member States different, as amended by Council Directive 2003 /123/EC of 22 December 2003.

It will have the consideration of the parent company of that entity that holds in the capital of another society a direct participation of, at least, 20 percent. The latter entity shall have the consideration of a subsidiary. This percentage will be 15 percent from 1 January 2007 and 10 percent from 1 January 2009.

The said participation must have been kept uninterruptedly during the year preceding the day on which the profit to be distributed or, failing that, to be maintained for as long as it is necessary for the complete one year. In the latter case, the tax revenue entered shall be returned after the deadline has been met.

Residence shall be determined in accordance with the law of the Member State concerned, without prejudice to the provisions of the conventions to avoid double taxation.

Notwithstanding the foregoing, the Minister for Economic Affairs and Finance may declare, on the basis of reciprocity, that the provisions of this point (h) apply to subsidiary companies which are in a legal form different from those laid down in the Annex to the Directive and to dividends distributed to a parent company holding in the capital of a subsidiary company resident in Spain a direct participation of at least 10%, provided that it is comply with the other conditions set out in this point (h).

The provisions of this point shall not apply where the majority of the voting rights of the parent company are held, directly or indirectly, by natural or legal persons who do not reside in the Member States of the Union. European, except where it effectively carries out a business activity directly related to the business activity carried out by the subsidiary company or has as its object the management and management of the subsidiary by the appropriate organisation of material and personal means or evidence which has been constituted for reasons valid economic and not to unduly enjoy the scheme provided for in this point (h).

(i) The income derived from the transfer of securities or the repayment of shares in investment funds made in one of the official secondary markets of Spanish securities, obtained by natural persons or non-resident non-resident entities of permanent establishment in Spanish territory,

who are resident in a State that has an agreement with Spain to avoid double taxation with an exchange of information clause.

(j) dividends and participations in profits as referred to in paragraphs (a) and (b) of Article 25 (1) of Law 35/2006, of the Income Tax of the Physical Persons and the partial modification of the Laws of Taxes on Societies, on the Income of Non-Residents and on the Heritage, obtained, without mediation of permanent establishment, by natural persons resident in another Member State of the European Union or in countries or territories with which there is an effective exchange of tax information in accordance with the provisions of paragraph 3 of the first provision of Law 36/2006, of Measures for the Prevention of Tax Fraud, with the limit of EUR 1,000, which shall be applicable on all yields obtained during the calendar year.

2. In no case shall the provisions of points (c), (d), (i) and (j) of the preceding paragraph apply to the income and property gains obtained through the countries or territories that are regulated as tax havens.

Nor shall the provisions of point (h) of the previous paragraph be applied when the parent company has its tax residence, or the permanent establishment is situated in a country or territory regarded as a paradise fiscal.

3. The Minister for Economic Affairs and Finance may declare, on condition of reciprocity, the exemption of the income corresponding to maritime or air navigation entities resident abroad whose vessels or aircraft touch Spanish territory, even if they have in this consignees or agents. "

3. Article 19 (2) of the recast text of the Non-Resident Income Tax Act, approved by the Royal Legislative Decree 5/2004 of 5 March 2004, is hereby reworded as follows:

" 2. In addition, where the income obtained by permanent establishments of non-resident entities is transferred abroad, an additional charge, at the rate of 18%, will be payable on the amounts transferred with the income from the permanent establishment, including the payments referred to in Article 18.1.a), which have not been deductible expenses for the purposes of fixing the taxable base of the permanent establishment.

The declaration and entry of such additional charge shall be made in the form and time limits laid down for the income obtained without permanent establishment mediation. "

4. Article 25 (1) and (2) of the recast text of the Non-Resident Income Tax Act, adopted by the Royal Legislative Decree 5/2004 of 5 March 2004, are hereby reworded as follows:

" 1. The tax rate shall be obtained by applying the following rates to the taxable amount determined in accordance with the preceding Article:

a) With a general character, 24 percent.

(b) Pensions and other similar benefits received by non-resident natural persons on Spanish territory, irrespective of the person who has generated the right to their perception, shall be taxed in accordance with the next scale:

pension amount up to

-

Euros

Share

-

Euros

Rest pension up to

-

Euros

Applicable Type

-

0

0

12,000

8

12,000

960

6,700

30

18,700

2,970

Forward

40

(c) The income of the work of natural persons not resident in Spanish territory, provided that they are not taxpayers for the Income Tax of the Physical Persons, who provide their services in diplomatic missions and Consular representations of Spain abroad, where there is no application of specific rules derived from international treaties in which Spain is a party, will be taxed at 8 percent.

d) For returns derived from reinsurance operations, 1.5 percent.

e) 4% in the case of maritime or air navigation entities resident abroad, whose vessels or aircraft touch Spanish territory.

f) 18 percent when it comes to:

1. º Dividends and other returns derived from participation in an entity's own funds.

2. º Interest and other income earned by the transfer to third parties of own capital.

3. The property gains to be made manifest on the occasion of transfers of assets.

(g) Income from work received by natural persons not resident on Spanish territory under a fixed-term contract for foreign seasonal workers, in accordance with the provisions of the labor regulations, will be taxed at the rate of 2 percent.

(h) The rate of charge applicable to royalties or royalties satisfied by a company resident in Spanish territory or by a permanent establishment situated in the territory of a company resident in another Member State of the Union European a company resident in another Member State or a permanent establishment situated in another Member State of a resident company of a Member State shall be 10% when the following conditions are met:

1. º That both companies are subject to and not exempt from any of the taxes referred to in Article 3 (a) (iii) of Council Directive 2003 /49/EC of 3 June 2003 on a common system of taxation applicable to payments interest and royalties made between associated companies of different Member States.

2. º That both companies are in one of the forms set out in the Annex to Directive 2003 /49/EC.

3. That both companies are tax residents in the European Union and that, for the purposes of an agreement to avoid double taxation on income concluded with a third State, they are not considered to be residents of that third State.

4. Let both societies be associated. For these purposes, two companies shall be deemed to be associated when one has a direct holding of at least 25% in the capital of the other, or a third holding in the capital of each of them a direct participation of at least one of them. 25 percent.

The said participation must have been kept uninterruptedly during the year before the day when the payment of the performance has been satisfied or, failing that, it must be maintained for as long as it is necessary to complete one year.

5. º That, if any, such amounts are deductible for the permanent establishment that satisfies the returns in the State in which it is situated.

6. º that the company receiving such payments does so for its own benefit and not as a mere intermediary or authorized agent of another person or society and that, in the case of a permanent establishment, the amounts it receives are effectively related to their business and

constitute a computable income for the purposes of determining their taxable amount in the State in which they are located.

This paragraph (h) shall not apply where the majority of the voting rights of the income-bearing company are held, directly or indirectly, by natural or legal persons who do not reside in the Member States of the European Union, except where that proves that it has been constituted for valid economic reasons and not for unduly enjoying the arrangements provided for in this paragraph.

2. In the case of transfers of real estate located in Spanish territory by taxpayers acting without permanent establishment, the acquirer shall be obliged to retain and enter 3 percent, or to make the entry into account corresponding to the agreed consideration, in terms of payment on account of the tax corresponding to those.

The income referred to in this paragraph shall not be made in the case of the contribution of immovable property, in the formation or increase of capital of companies resident in Spanish territory.

Without prejudice to any penalties that may be caused by the infringement, if the withholding or entry into account has not been entered, the goods transmitted shall be affected by the payment of the amount is less than the amount of such withholding or income and tax. "

5. Article 31 (4) of the recast text of the Non-Resident Income Tax Act, approved by the Royal Legislative Decree 5/2004 of 5 March 2004, is hereby reworded as follows:

" 4. No retention or entry into account shall be carried out in respect of:

(a) Income which is exempt pursuant to Article 14 or an agreement to avoid double taxation which is applicable, without prejudice to the obligation to declare as provided for in paragraph 5 of this Article Article.

Notwithstanding the foregoing, if there is an obligation to practise withholding or income in respect of the income referred to in Article 14 (1) (j).

(b) The yield arising from the distribution of the share or equity issue premium, or the reduction of capital. The obligation to practise retention or entry into account in these cases may be laid down.

(c) The income paid to or paid to taxpayers for this tax without permanent establishment, when the payment of the tax or the source of exemption is credited.

(d) The income referred to in Article 118.1 (c) of the recast of the Company Tax Act, approved by Royal Decree-Law 4/2004 of 5 March 2004.

e) The income to be regulated. "

6. Article 16 (1) of the recast text of the Non-Resident Income Tax Act, adopted by Royal Decree-Law 5/2004 of 5 March 2004, is hereby reworded as follows:

" 1. Make the income attributable to permanent stablecoin the following concepts:

(a) The income of the economic activities or holdings developed by that permanent establishment.

(b) Yields derived from property assets affected by the permanent establishment.

(c) The property gains or losses arising from the property assets affected by the permanent establishment.

The permanent establishment is considered to be an asset to the permanent establishment, functionally linked to the development of the activity that constitutes its object.

The assets representative of an institution's own funds holding shall be considered as property assets only if the permanent establishment is a registered branch in the Commercial Register and comply with the requirements laid down in regulation.

For these purposes, property assets shall be considered to be transmitted within the three tax periods following that of disaffection. "

7. New wording is given to the single transitional provision of the recast text of the Non-Resident Income Tax Act, approved by the Royal Legislative Decree 5/2004 of 5 March, which will be drafted in the following terms:

" Unica. Transitional provisions of the recast of the Tax on the Income of the Physical Persons, approved by the Royal Legislative Decree of March 5.

1. The second, fifth, ninth and tenth transitional provisions of the recast of the Income Tax of the Physical Persons approved by the Royal Legislative Decree of March 5, will be applicable to the taxpayers without permanent establishment that are natural persons.

2. The amendments made to the fifth and ninth transitional provisions of the recast of the Law on the Income Tax of the Physical Persons by the final provision of Law 35/2006, of the Income Tax Natural Persons and partial modification of the Laws of corporate taxes, on the Income of non-residents and on the Patrimony, will only have effects on the Income Tax of non-residents since the date of entry into force of that provision. "

Final disposition fourth. Amendment of Law 19/1991 of 6 June of the Tax on Heritage.

1. Article 4.Five of Law 19/1991, of 6 June, of the Tax on Heritage, is amended as follows:

" Five. The rights of economic content in the following instruments:

(a) The consolidated rights of the members and the economic rights of the beneficiaries in a pension scheme.

(b) The rights of economic content that correspond to premiums satisfied with the insured pension plans defined in Article 51 (3) of Law 35/2006, the Income Tax of the Physical Persons and partial modification of the Laws of Taxes on Societies, on the Income of Non-Residents and on Heritage.

(c) The rights of economic content corresponding to contributions made by the taxable person to the business social security plans governed by Article 51 (4) of Law 35/2006, of the Tax on the Income of the Physical Persons and partial modification of the Laws of the Taxes on Societies, on the Income of Non-Residents and on the Heritage, including the contributions of the taker.

(d) The rights of economic content derived from the premiums paid by the taxable person to collective insurance contracts, other than the business social security plans, which implement the commitments made by the In the case of the pension scheme, the pension scheme is based on the amount of the pension paid by the pension scheme, the amount of which is paid by the

company, and the amount of the pension. satisfied by the employers to the aforementioned collective insurance contracts.

e) The rights of economic content that correspond to premiums paid to private insurance that cover the dependency defined in Article 51 (5) of Law 35/2006, of the Income Tax of Persons Physical and partial modification of the Laws of the Taxes on Societies, on the Income of Non-Residents and on the Heritage. "

2. Article 4.Ocho.Two of Law 19/1991 of 6 June of the Tax on Heritage is amended to read as follows:

" Two. The full ownership, the property and the right of lifetime for the participation in entities, with or without quotation in organized markets, provided that the following conditions are met:

(a) That the entity, whether or not it is a corporate entity, does not have as its principal activity the management of a property or property. An entity shall be understood to manage a movable or immovable property and which, therefore, does not carry out an economic activity where, for more than 90 days of the social year, any of the following conditions are met:

That more than half of your asset consists of values or

That more than half of your asset is not affected by economic activities.

For the purpose of this letter:

To determine if there is an economic activity or if a patrimonial element is affected, you will be willing to pay for the Income Tax of the Physical Persons.

Both the value of the asset and the value of the assets not affected by economic activities shall be that which is deducted from the accounts, provided that it accurately reflects the true patrimonial situation of the company.

For the purposes of determining the part of the asset that is constituted by non-affected assets or assets:

1. No the following values will not be computed:

The possessed to comply with statutory and regulatory obligations.

Those incorporating credit rights born 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 constitutive activity of their object.

Those who grant, at least, five percent of the voting rights and are held for the purpose of directing and managing participation whenever, for these purposes, the corresponding media organization is available material and personal, and the investee entity is not included in this letter.

2. º No such as securities or as non-profit elements shall be computed as non-economic activities whose purchase price does not exceed the amount of the undistributed profits earned by the entity, provided that such gains come from the performance of economic activities, with the limit of the amount of profits earned both in the year itself and in the last 10 years. For this purpose, dividends arising from the securities referred to in the last subparagraph of the preceding paragraph shall be treated as income from economic activities where the income obtained by the participating entity is derived from the less than 90 percent of the economic activities.

(b) the share of the taxable person in the capital of the institution is at least 5 per 100 computed individually, or 20 per 100 jointly with his/her spouse, ascendants, descendants or second-degree collateral; the parentage in the consanguinity, in the affinity or in the adoption, has its origin.

(c) The taxable person effectively exercises management functions within the institution, thereby receiving remuneration representing more than 50 per 100 of all business, professional and labour income personnel.

For the purposes of the above calculation, the business, professional and personal income returns shall not be computed, the returns of the business activity referred to in the number one of this paragraph.

Where the participation in the institution is joint with some or some persons referred to in the preceding point, the management functions and the remuneration derived therefrom shall be

at least one of the following: persons from the kinship group, without prejudice to the right of all of them to the exemption.

The exemption will only reach the value of the units, determined in accordance with the rules set out in Article 16.1 of this Law, in the part corresponding to the ratio existing among the assets required for the exercise of business or professional activity, which is reduced by the amount of the debts arising from it, and the value of the entity's net worth, applying these same rules in the valuation of the units ' units participants to determine the value of their holding entity. "

3. Article 31 of Law 19/1991 of 6 June of the Tax on Heritage is hereby amended, which shall be worded as follows:

" Article 31. Full quota limit.

One. The full quota of this Tax in conjunction with the fees of the Income Tax of the Physical Persons, may not exceed, for taxable persons subject to the personal duty tax, 60 per 100 of the sum of the bases taxable of the latter. For these purposes:

(a) The portion of the taxable amount of savings derived from assets and losses corresponding to the positive balance of those obtained by transfers of acquired or acquired assets shall not be taken into account. improvements made in those improvements more than one year in advance of the date of transmission, nor the part of the full Income Tax dues of the Physical Persons corresponding to that part of the tax base of the savings.

The amount of the dividends and the holdings in profits referred to in point (a) of paragraph 6 of the transitional provision twenty-second of the recast of the Law of the European Union shall be added to the tax base of the savings. Corporation tax approved by the Royal Legislative Decree 4/2004 of 5 March 2004.

(b) The part of the Tax on Heritage which corresponds to property assets which, by their nature or destination, are not liable to produce the income taxed by the Tax Law shall not be taken into account The Income of the Physical Persons.

c) In the event that the sum of both quotas exceeds the previous limit, the quota of the Heritage Tax will be reduced to the indicated limit, without the reduction being able to exceed 80 per 100.

Two. When the components of a family unit have opted for joint taxation in the Income Tax of the Physical Persons, the limit of the joint contributions of the said Tax and of the Tax on the Heritage, It will calculate the full contributions earned by those in this last tribute. Where appropriate, the reduction to be applied shall be pro rata among the taxable persons in proportion to their respective shares in the Heritage Tax, without prejudice to the provisions of the previous paragraph. '

Final disposition fifth. Amendment of the recast of the Law on the Regulation of Pension Plans and Funds, approved by the Royal Legislative Decree 1/2002 of 29 November.

1. Article 5 (3) of the recast text of the Law on the Regulation of Pension Plans and Funds, approved by the Royal Legislative Decree 1/2002 of 29 November, is amended as follows:

" 3. The maximum annual contributions to the pension schemes covered by this Law shall be in line with the following:

(a) The total of the maximum annual contributions and business contributions to the pension schemes covered by this Law may not exceed EUR 10,000. However, in the case of participants over 50 years of age, the previous amount shall be EUR 12,500.

(b) The limit set out in subparagraph (a) above shall be applied individually to each integrated participant in the family unit.

(c) Exceptionally, the sponsoring undertaking may make contributions to an employment pension scheme for which it is a promoter where it is necessary to ensure the ongoing benefits or the rights of the members of the scheme. include defined benefit schemes for retirement and it has become apparent, through actuarial reviews, that there is a deficit in the pension scheme. "

2. Article 8 (5) of the recast text of the Law on the Regulation of Pension Plans and Funds, adopted by Royal Legislative Decree 1/2002 of 29 November, is amended as follows:

" 5. The dates and arrangements for the receipt of benefits shall be fixed freely by a participant or by the beneficiary, in the terms which are determined in accordance with the rules, and with the limitations which, where appropriate, are laid down in the specifications of the plans. "

3. Article 8 (6) of the recast of the Law on the Regulation of Pension Plans and Funds, adopted by the Royal Legislative Decree 1/2002 of 29 November, is amended as follows:

" 6. The contingencies for which the above benefits will be met may be:

a) Retirement: for the determination of this contingency will be provided for in the corresponding Social Security Regime.

Where the access of a participant to retirement is not possible, the contingency shall be deemed to be produced from the ordinary retirement age in the General Social Security Scheme, at the time when the participant does not participate. exercise or have ceased work or professional activity, and are not listed for the retirement contingency for any social security scheme. However, the perception of the relevant provision from the age of 60 may be anticipated in the terms to be established in a regulated manner.

Pension plans may provide for the payment of the pension benefit in the event that the participant, whatever his/her age, extinguishing his/her employment relationship and becomes legally unemployed as a result of the pension. of the employment regulation file approved by the labour authority. Conditions may be laid down for the maintenance or resumption of contributions to pension schemes in this case.

From access to retirement, the participant may continue to make contributions to the pension plan. However, once the recovery of the retirement provision or the anticipated recovery of the pension benefit is initiated, the contributions may be paid only to the death and dependency contingencies. The same scheme shall apply where access to retirement is not possible for contributions made from the ordinary retirement age. The conditions under which the contributions for retirement may be resumed on the basis of a subsequent discharge in a social security scheme or a resumption of activity may be laid down.

The provisions of this subparagraph (a) shall be without prejudice to the contributions to beneficiaries by the promoters of the pension schemes of the employment system under the provisions of paragraph 3 of the Article 5 of this Law.

(b) Total and permanent employment for the usual or absolute and permanent occupation for all work, and the great invalidity, determined in accordance with the corresponding Social Security Scheme.

Reglamentarily the fate of contributions for contingencies that may occur in those situations may be regulated.

c) Death of the participant or beneficiary, which may generate entitlement to benefits of widower, orphan's or to other heirs or designated persons.

d) Severe dependence or heavy reliance on the regulated participant in the Law to promote personal autonomy and care for people in a situation of dependency.

For the purposes of the provision in the first provision of this Law, the contingencies to be used under the conditions laid down in this Law shall be those of retirement, incapacity, death and dependency. provided for in paragraphs (a), (b), (c) and (d) respectively.

The undertakings given by the companies to the employees who are extingtheir employment relationship with those who are legally unemployed as a result of a record of employment regulation, which consist of the payment of the benefits before retirement, may be subject to implementation, on a voluntary basis, in accordance with the scheme provided for in the first provision of this Law, in which case they shall be subject to financial and tax rules. derived from this. "

4. Article 36 (4) of the recast text of the Law on the Regulation of Pension Plans and Funds, adopted by the Royal Legislative Decree 1/2002 of 29 November, is amended as follows:

" 4. Failure to comply with the contribution limit provided for in Article 5 (3), unless the excess of that limit is withdrawn before the 30th of June of the following year, shall be sanctioned by a fine of 50 per 100 of the such excess, without prejudice to the immediate withdrawal of the said excess from the plan or corresponding pension schemes. Such a sanction shall in any event be imposed on the person who makes the contribution, whether or not he participates, but the participant shall be exonerated when it has been carried out without his knowledge. "

5. The additional provision of the recast text of the Law on the Regulation of Pension Plans and Funds, approved by the Royal Legislative Decree 1/2002 of 29 November, is amended as follows:

" Additional disposition first. Protection of pension commitments with workers.

The pension commitments assumed by the companies, including the benefits caused, must be used, from the moment the accrual of their cost is initiated, through insurance contracts, including the business social security, through the formalisation of a pension scheme or a number of such instruments. Once instrumented, the obligation and responsibility of the companies for the related pension commitments will be limited exclusively to those assumed in such insurance contracts and pension plans.

For these purposes, pension commitments shall be the result of legal or contractual obligations arising out of the employer with the staff of the undertaking and related to the contingencies laid down in paragraph 6 of the Article 8. Such pensions may take the form laid down in Article 8 (5) and shall include any provision which is intended to cover such commitments, whatever their name.

They have the consideration of companies not only natural and legal persons but also the communities of goods and other entities that, still lacking in legal personality, are susceptible to assume with their workers Commitments described.

For insurance contracts to serve the purpose referred to in the first paragraph, you must satisfy the following requirements:

a) Revestir the form of collective insurance on the life or plan of business social security, in which the condition of the insured will correspond to the worker and the beneficiary to the persons in whose favor the pensions are generated according to the commitments made.

(b) In such contracts, the provisions of Articles 97 and 99 of the Insurance Contract Law shall not apply.

(c) The rights of redemption and reduction of the taker may only be exercised in order to maintain in the policy the adequate coverage of their pension commitments in force at any time or to the exclusive effects of the integration. of the commitments covered by that policy in another insurance contract, in a business social security plan or in a pension scheme. In the latter case, the new insurer or pension scheme will assume full coverage of the related pension commitments.

d) The investments corresponding to each policy must be individualized in terms that are regulated.

(e) The amount of the redemption right shall not be less than the value of the performance of the assets representing the investment of the corresponding technical provisions. If there is a deficit in the coverage of those provisions, such a deficit shall not be passed on to the right to rescue, except in cases where the provisions are determined. The amount of the ransom must be paid directly to the new insurer or pension fund in which the new pension scheme is integrated.

It shall be permissible for the payment of the value of the ransom to be made by the transfer of assets, net of the necessary expenses to effect the corresponding changes of ownership.

In insurance contracts whose premiums have been charged to the persons to whom the pension commitments are linked, the economic rights of the parties must be provided for, in accordance with the conditions agreed in the undertaking. subject to cases where the cessation of the employment relationship occurs prior to the occurrence of the contingencies provided for in this legislation or the pension commitment attached to such subjects is modified.

The conditions to be fulfilled by the insurance contracts referred to in this provision shall be laid down, including those instruments between the social security mutual societies and their mutual societies in their condition. of policyholders or policyholders. In any event, the conditions to be laid down in regulation must be uniform, actuarial and financially consistent with the rules applicable to pension commitments formalised by pension schemes.

The effectiveness of pension commitments and the collection of benefits will be conditional on their formalisation in the instruments referred to in the first paragraph. In any event, the failure of the undertaking to implement the pension commitments assumed will constitute a very serious infringement of the terms of the law, in the terms of the recast of the Law on Infringements and Sanctions in the Social Order, approved by the Royal Legislative Decree 5/2000 of 4 August.

In no case shall the coverage of such commitments be admissible by means of the endowment by the internal fund entrepreneur, or similar instruments, which involve the maintenance by the latter of the ownership of the constituted resources. "

6. The fourth additional provision of the recast text of the Law on the Regulation of Pension Plans and Funds, approved by the Royal Legislative Decree 1/2002 of 29 November, is amended as follows:

" Additional provision fourth. Pension schemes and social welfare insurance schemes made up of persons with disabilities.

Contributions may be made to pension schemes in favour of persons with a degree of physical or sensory disability equal to or greater than 65 per 100, psychic equal to or greater than 33 per 100, as well as persons with disabilities who have an incapacity to be declared judicially regardless of their degree. The financial arrangements for pension schemes with the following specialties will apply to them:

1. Contributions to the pension scheme may be made by both the person with a disability and the persons who have the same relationship of parentage in direct or collateral line up to and including the third degree, as well as the spouse or those who had them in their custody or under

the supervision of a host. In these last cases, persons with disabilities will have to be designated as beneficiaries in a unique and irrevocable way for any contingency. However, the death contingency of the disabled person may result in the right to benefit from widowage, orphan or to those who have made contributions to the pension scheme of the person with disabilities in proportion to the disability. contribution of these.

2. As a ceiling for contributions, for the purposes of Article 5 (3) of this Law, the following amounts shall apply:

(a) The maximum annual contributions made by persons with disabilities shall not exceed the amount of EUR 24,250.

(b) The maximum annual contributions made by each participant in favour of persons with disabilities related to kinship relationship shall not exceed the amount of EUR 10,000.

(c) Maximum annual contributions to pension plans made in favour of a person with disabilities, including their own contributions, shall not exceed the amount of EUR 24,250.

The failure to comply with these limits will be the subject of the sanction provided for in Article 36 (4) of this Law. For this purpose, where several contributions are made in favour of the disabled person, the limit of EUR 24,250 shall be understood to be covered, first, with the contributions of the person with a disability, and where they do not exceed that limit, with the other contributions, in proportion to their value.

The acceptance of contributions to a pension scheme in the name of a beneficiary with a disability, up to the limit of EUR 24,250 per year, will be considered as a very serious infringement, as provided for in the Article 35 (3) (n) of this Law.

3. The benefits of the pension scheme must be in the form of income, unless, for exceptional circumstances, and in the terms and conditions that are regulated, they can be perceived in the form of capital.

4. Specifications may be laid down in relation to the contingencies for which benefits may be satisfied, as referred to in Article 8 (6) of this Law.

5. The cases in which the consolidated rights in the pension scheme by persons with disabilities may be made effective shall be determined in accordance with the provisions of Article 8 (8) of this Regulation. Law.

6. The system governed by this additional provision shall apply to the contributions and benefits made or received from social security schemes, social security schemes, insured pension schemes, insurance schemes, insurance schemes, insurance schemes, insurance schemes, Business and insurance companies that exclusively cover the risk of high dependence in accordance with the provisions of the Law on the promotion of personal autonomy and care for persons in a situation of dependency in favour of persons with disabilities comply with the requirements laid down in the previous paragraphs and those laid down in Regulation. The established limits shall be set for all social welfare systems in this provision of the same in favour of persons with disabilities who fulfil the requirements laid down in the previous paragraphs. '

7. The third transitional provision of the recast text of the Law on the Regulation of Pension Plans and Funds, approved by the Royal Legislative Decree 1/2002 of 29 November, is amended as follows:

" Transitional provision third. Application of the sanctioning regime.

The sanctioning regime for the management and supervision of pension plans and funds governed by this Law will be applicable to the offences established in the same case from 10 November 1999. 1995. "

8. A new paragraph is added to the final provision of the Recast Text of the Law on the Regulation of Pension Plans and Funds, approved by Royal Legislative Decree 1/2002 of 29 November, with the following wording:

" The General Courts and the Legislative Assemblies of the Autonomous Communities will be able to promote and contribute to the pension plans of the employment system, as well as to the collective insurance contracts of those regulated in the the additional provision of this Law, in which the members of the respective Chambers may be incorporated as members and insured. For these purposes, the promotion of a pension scheme for such members may be carried out, where appropriate, by way of derogation from Article 4 (1) (a) of this Law on the promotion of a single employment plan by each sponsor. "

Final disposition sixth. Enablement for the State General Budget Law.

The General Budget Law of the State may modify, in accordance with the provisions of Article 134 (7) of the Spanish Constitution:

a) The scale and tax rates and deductions in the quota.

(b) The other quantitative limits and fixed percentages laid down in this Law.

Final disposition seventh. Regulatory enablement.

The Government will dictate how many provisions are necessary for the development and implementation of this Law.

Final disposition octave. Entry into force.

1. This Law will enter into force on 1 January 2007. However, the entitlements to the General State Budget Law and the final provision of this Law shall enter into force on the day following that of the publication of this Law in the "Official Gazette of the State".

2. For the purposes of the Income Tax of the Physical Persons, this Law shall apply to the income obtained from 1 January 2007 and to which it is due to be imputed from the same, according to the criteria for temporary imputation Law 18/1991, of 6 June, of the Tax on the Income of the Physical Persons and its Implementing Rules, Law 40/1998, of 9 December, of the Tax on the Income of the Physical Persons and other Tax Rules and the recast of the Law of the Tax on the Income of the Physical Persons, approved by the Royal Legislative Decree of March 5.

Therefore,

I command all Spaniards, individuals and authorities, to keep and keep this law.

Madrid, November 28, 2006.

JOHN CARLOS R.

The President of the Government,

JOSE LUIS RODRIGUEZ ZAPATERO