

**Update of the tax measures**  
**Differences between Local Taxes and State Taxes**

During the last week several legislative measures were approved (Royal Decree Law (“RD”) 7/2020, RD Law 8/2020, RD 463/2020 and RD 465/2020) all of which provide measures to deal with the extraordinary situation created by the spread of the COVID-19. Some of these Royal Decrees have been summarized in the previous FONT & YILDIZ’s Informative Note (<https://fontyildiz.es/en/actions-and-possible-measures-in-labor-matters-under-the-interruption-of-economic-activity-due-to-covid-19/>)

The 22<sup>nd</sup> of March, 2020, the President of Spain has proposed a new Royal Decree, which extends the period of application of the RD 463/2020 (The quarantine might be extended until the 11/4/2020). This decree, must however be approved by the Parliament.

Below, you will find a summary of all **Tax measures** approved and in force today:

**a) Local taxation and taxes transferred to the “Generalitat” of Catalonia (Royal Decree Law 6/2020 and Royal Decree Lay 7/2020)**

The presentation of self-assessments and the payment of local taxes, including those whose collection and management is done by “Generalitat” is **suspended** until the alarm state declared by virtue of the RD 463/2020 ends.

The period to submit and pay the tax on “stays on touristic establishments” (Touristic Tax) generated from 1/10/2019 to 31/03/2020, will be from 1/10/2020 to 20/10/2020.

**b) State Taxes**

**b.1) The approved Royal Decrees, affect those taxes whose term of presentations ends between 13/3/2020 and 30/5/2020.**

However, in this case **the period for submitting the informative declarations** (such as Model 720 regarding goods and rights abroad), as



well as the self-assessments (VAT withholdings, fractionated payments of the Corporate Income **is not modified**. What has been affected, in the payment of the mentioned taxes, which **can be postponed for 6 months** upon request when submitting them.

This deferral will not generate **any interests** within the first 3 months, and it will not require any guarantee as long as the postponed debt does not exceed the amount of 30.000 €. Please note however, that only self-employed workers and Companies whose turnover during 2019 has not exceeded 6.010.121.04 € (that is, small and medium companies) are affected by this measures.

In summary, this measures offer the **possibility of deferring**:

- a) The payment of the amounts resulting from the withholding declarations;
- b) The payment resulting from the VAT's self-assessments (with no need to justify that the VAT charged has not been collected);
- c) The advanced payment of the Corporate Income Tax;
- d) Those deferrals are granted for 6 months, and the first 3 do not generate any interest. Therefore, it will be applicable to the declarations corresponding to the 1<sup>st</sup> Quarter of 2020, or to the corresponding to the months of February, March and April, in the case of monthly declarations.

## **b.2) Tax procedures (Inspection, verification and Collection proceedings)**

### **i) The period for payment is extended until the 30/4/2020 for:**

- a) Tax debts resulting from liquidations performed by the Administration that have not been notified before 18/03/2020.
- b) Debts that are in its enforcement period.
- c) Deferral agreements and Instalment payments which become enforceable during this months.

### **ii) The term is extended until the 30/4/2020 for:**

- a) Responding to notifications from the Tax Agency;
- b) Responding to enforcement procedures;



- c) Responding to notifications requiring information with tax relevance;
- d) Submitting allegations and responding to procedures with the Tax administration, including sanctions, nullity, procedures to obtain the return of quantities paid unduly, rectification of material mistakes.

As long as the period resulting from the notification starts after 18/03/2020, its term will be extended until 20/5/2020.

The enforcement of guarantees over real estate properties resulting from enforced collection procedures will be suspended until 30/4/2020.

The period between 18/3/2020 and 30/04/2020 will not be taken into account to calculate the maximum length of procedures of the Tax Administrations, for its effects of prescription and limitation period.

#### **c) Appeal for Reversal and Economic-Administrative Claims**

- i) During the period from 18/3/2020 to 30/4/2020, all the administrative decisions regarding appeals to the Tax Agency and to the economic-administrative courts, will be considered as notified when one attempt is proven.
- ii) The term to appeal to the Tax Agency and to the economic-administrative courts will not start until 30/4/2020, or the corresponding date if it was after.
- iii) Despite the RD Law 8/2020 not making any express reference to the appeals to the Tax Agency and to the economic-administrative courts started before 18/3/2020, it has to be interpreted that the term to submit them is extended until 30/4/2020.
- iv) The term to appeal to the Tax Agency and to the economic-administrative courts whose terms for submittal have finished before 18/3/2020, will not be affected by this measure.

#### **d) Contentious-Administrative appeals**

All terms provided in the procedural laws, for all jurisdictional areas have been suspended by RD 463/they will resume as soon as the mentioned royal decree or any of its extensions is no longer in effect.



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Our organization is structured in different areas of expertise:

Tax & Compliance	Real Estate	Immigration
Commercial & Corporate Law (M&A)	Consulting Services	Litigation
International Law	Start Ups	Accounting Law

Our Firm counts with Spanish, English, French, Turkish, Portuguese and Catalan speaking lawyers and economists, all of them professionals that would be happy to assist on your Spanish tax and legal concerns. For more information, please visit our website: [www.fontyildiz.com](http://www.fontyildiz.com)

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