



MADRID



ITP (Impuesto de Transmisiones Patrimoniales) / Property Transfer Tax

What is ITP?

In the Spanish tax system, there is a relatively unrecognized tax, ITP or Property transmission tax. It occurs when a property is leased for use as a residence (primary or secondary).

The ITP isn't well-known, many do not pay it. Now it's very easy for the administration to identify fraudsters: they just have to check the security of deposits at IVIMA or check the charges deducted in the income tax return.

Who should pay the ITP?

It's the tenant (Art. 8f) although the owner of the property be designated as the responsible if he receives a monthly payment without first demand payment of this tax, according to art. 9 of the revision of the Law on ITP and documents of legal acts.

How calculate the amount payable?

This tax is calculated on a proportionate basis to rent. Since January 1st, 2015, in Madrid, the tax amounts is 0.4% of the rent (according to Art 123 of the Law 2/2014 of 27 January -. Fiscal, Administrative and Financial Public Sector). This percentage applies to the total amount of rent payable for the duration of the contract (minimum 3 years).

When and how to pay ITP?

Payment must be made within a maximum period of one month from the effective date of the lease through the liquidation form model 600.

Monthly rental

Yearly rental

Sales department

Renovation and decoration

Insurance

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