

Individuals and Owners

Organised accounting

full accounting required
 Very few deductions from gross rent income. No Utilities/maids/pool garden etc
 deductions:-ONLY Legal bills- IMI ,essential maintenance/repairs, insurance, capital expenditures
 For Apartments- deductions of condo fees.

Simplified accounting

No full paperwork accounting required if under 200k turnover
Automatic deduction of 85% of gross rental
 No other deductions allowed, ie no faturas required.

annual rental income declaration
 annual rental contract declaration mandatory by 1st April.stamp duty payable
issue rental invoices/receipts
if turnover 10K+ then IVA registry required - 1st year exemption
rentals are 6% IVA for owner direct to renter or 'agent'
 rentals are 23% IVA if intermediary is involved eg agent > renter
 Segurancia Social after 1st year. (min 124 eur/month) unless exempted by age or A1 EU form

notes Rental contracts are to be registered if there is an annual fixed or variable (eg weekly/season rates) amount/s agreed with a secondary agent
 OR If rented directly 'ad hoc' to clients, then no 'annual contract ' exists (unclear as yet) so no declaration is required.
 Rental receipts may be issued with an electronic/online system, within 5 days of receipt of rental.
 OR Rental receipts may still be issued to individual renters, on officially printed and registered receipt books, and presented/declared by the next 15th Jan

You may, in either of the above systems, declare income in two ways on the IRS form annually

Tax Category F

If you have other 'activities' or earnings
 This is for 'annual', or any other, contracted rentals
 There is/maybe a 'retention' of 25% on rents for the tax office required

Tax Category B

if you ONLY have rental activity CAE 22501 or 22504
 For Hoteliers and similar eg short term rentals
 No tax retention

SAMPLE non resident
 Simplified
 Category B

Non residents taxed at a flat 25% on taxable amount
 Residents IRS tax at marginal rates 0-48% + municipal tax 0-5%

Sample non resident or resident	
Organised Accounting	
Category F	
RENT INCOME	20,000.00 €
DEDUCTIONS	3,500.00 €
Net Taxable income	16,500.00 €
Tax payable	4,620.00 €

eg IMI + INSURANCE+ REPAIRS

@28%

RENT INCOME	€ 20,000.00
FIXED DEDUCTION 85%	€ 17,000.00
Net/ Taxable Income	€ 3,000.00
Non resident tax 25%	Tax Payable € 750.00

BOTH SAMPLES
 + municipal tax usually 1.5% (variable)