

Sale of a property on the Costa Blanca

Introduction

If you have already decided to sell your property, it is easiest to go through everything with an expert to clarify open questions.

HRService is a tax consultancy and real estate administration office in Moraira, whose cooperation we have appreciated for over 30 years and with whom we are in close contact when preparing the papers, for sellers or buyers, for the notary. Likewise, the preparation of the papers could be accompanied by a lawyer of your choice, which is not necessarily necessary from experience. With the support of HRService, sellers and buyers were always very good and advised on a fair fixed price.

For those who already need a bit of information in advance, the key points to sell your property are below.

The capital gains tax

The profit made on the property must be taxed at 19% since January 1, 2010. The calculation basis for this is the margin between the purchase price and the selling price in each case according to the information in the Escritura. However, this is not entirely correct, because there are certain values and multipliers that can be deducted. Thus, the ancillary costs associated with the purchase, such as the land transfer tax and the brokerage fees can be credited to the purchase price and thus reduce the taxable value. As a rule of thumb, you can calculate the taxable amount by the difference between the price you sell to less the price at which you bought the property. This difference is taxed at 19%. As a kind of down payment on this amount is the Retención to see.

Retention (retención) for non-residents

So that sellers, who do not live permanently in Spain, do not move after the sale of their property without giving their new address and without paying the profit tax, the so-called Retencion was introduced by law: The buyer is obliged to withhold 3% (retención) of the purchase price and not to give to the seller. This amount is paid by the buyer as a kind of advance payment on the tax liability of the seller to the Spanish tax office. (Retention will be automatically kept by the responsible notary and transferred to the Spanish tax office). The seller does not receive 100% but only 97% of the agreed purchase price. The buyer pays the agreed amount, but in different payments, all together again exactly the sum of the sale price. If the amount withheld exceeds the amount of tax actually payable, you can recover it from the tax office by filing the relevant tax return.

If you are a resident

Residents living permanently in Spain, so-called residents do not need to pay 3% Retención to Escritura, even though they are tax resident. The emphasis is on tax. Not only is it required to be registered as a resident in Spain, but in addition you must have made your tax return in Spain for at least three years as a first residence. (Beware, there is also a lot of confusion, because there are also tax declarations by residents, but they were not made as main tax returns.) These are not recognized.) That you are a tax resident, you must prove by a form from the tax office in front of the notary, so called "certificado de residencia fiscal de residentes".

Tax exemption for tax residents

No taxes will be payable on sale of the main residence if the owner is over 65 and resident in tax.

Or, if the house to be sold is the sole property of the seller (no matter what age) and used as the main residence. Then the sales proceeds are tax-free if used within two years to buy a new property in Spain.

Land value increment tax

Generally this tax is only called "Plusvalia" (Impuesto sobre the incremental de valor de los terrenos de naturaleza urbana) This tax is levied by the municipalities. Only the plot size, location and period of ownership are considered. Buildings on the property are not considered.

IBI (Impuesto sobre bienes Inmuebles)

This tax is due in late summer / autumn. Even if the sale of the property takes place in January, the seller is obliged to pay the IBI for the full year. The IBI is raised to the cadastral value.

Corrective action of the real estate documents

The seller is obliged to sell the property with correct documentation. Often, however, extensions are not yet fully registered. Almost always we can do that until Escritura, but the costs are borne by the seller.

Cancellation of the mortgage

If you have a mortgage on the property, cancellation costs will be charged to your bank. Your bank will inform you about the exact amount.

You want to sell and are looking for a professional and personal advice? Please call us without obligation or simply send us an email. We will then contact you as quickly as possible.

We will gladly assist you in analyzing your specific situation, find a buyer for you, prepare your reservation and / or purchase contract, make any necessary administrative acts for you and also help you with questions about mortgages or the filing of the corresponding tax returns. If you are interested or have specific questions about the topic, please do not hesitate to contact us by phone or mail in english.