



ARE THE LAWS ON INHERITANCE TAX IN ANDALUCIA ABUSIVE

We pay taxes when we buy, inhabit, and sell our homes. There is the, transmission taxes, tax on transfers and on documented legal acts signed at notaries.

Then there is the 'plusa valia' tax, capital gains tax. Taxes on home improvements. Taxes on the invoices for the costs and assistance to purchase a property. Inheritance and gift tax. We also will pay annual rates bills (IBI) and the nonresident and resident annual taxes.

We pay taxes for our right to circulate the roads in our vehicles, and also, if you use a toll road.

There are excise taxes for consumption of fuel, tobacco, alcohol and other items.

There are the taxes on our water usage and electricity supply.

Taxes on the privilege of being in employment or personal taxes for the self employed. Corporation taxes, Taxes when setting up a business or closing one.

We are taxed on our pensions and savings. There are even taxes on unemployment benefits. Remember to include for all residents, taxes on all overseas assets.

Taxes on our food, medication, phone bills, internet, and now, twenty one percent taxes (IVA) on most purchases.

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Add to this the surcharges on any taxes not paid due to lack of notification. Custom duties for goods imported from outside the European Union. Taxes, to import your vehicle, if not imported within the time limit set down by law.

Benefactors will pay inheritance on all assets, vehicles, savings, jewelry, and even the furnishings in the inherited home, no matter the condition or age. (The authorities will not accept the 'it is unfurnished' If the property is inhabited, they are taking this into account that as a resident, you must be living there).

Taxes for the privilege of availing (uso fructo) of your home.

Heirs are allowed up to six months to pay these taxes. An extension can be applied for to include a further six months. Take into account that they will be paying five percent interest for this extended period. If this petition is not made, you will be charged ten to twenty percent accruing interest for the period your taxes are not paid after the initial six months.

Make sure the extension application is made to the relevant tax authority. Recently a lawyer, acting for three heirs, one a resident and the other two nonresidents, applied for this extension to the central tax authority, this has meant an enormous surcharge for one of the inheritors with resident status.

The application for the residents six months extension should have been submitted to the Andalucía tax authorities.

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To complicate matters, resident heirs pay their taxes to their regional government's tax office and nonresident's successor taxes are paid to the central government. When acting for inheritors of varying statuses, you need to present the funds to differing banks and the documents to the relevant tax authorities.

We all know that there are capital gains taxes to pay on the sale of a property, but, the local town hall will also charge this tax on succession. This does not end there, if there is 'uso fructo' given to a spouse or other, they will also be charged, extra on the plus valia, for the pleasure of basically, being allowed to stay in their property. Please note that a spouse is paying taxes on fifty percent of the property if bought with equal shares by both partners. It is important that as with the inheritance taxes, this tax should be paid, within a six month period. In this case there is no charge for an extension which must be made in writing, and presented with a photocopy to the department of 'patronato' at your town hall.

Do not leave without your dated stamped copy.

Myra Azzopardi Swainson

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