

# GUIDE FOR FOREIGN INVESTORS: VAT RECOVERY ON TOURIST APARTMENTS

---

## I. VAT RECOVERY AS A BUSINESS OWNER OR PROFESSIONAL

---

### **Client profile:**

*An individual or legal entity purchasing to rent out the property professionally and registering as a business in Spain.*

### **Steps:**

- 1. Alta en Hacienda (modelo 036 o 037).*
- 2. Declaración de ingresos por alquiler turístico y gastos asociados.*
- 3. Presentación de modelos trimestrales de IVA (modelo 303) y resumen anual (modelo 390).*
- 4. Posibilidad de deducir el IVA de la compra en la primera declaración.*

**Key condition: The rental activity must be maintained for at least 5 years to avoid repayment of the deducted VAT**

## 2. PURCHASE THROUGH A COMPANY

---

### **Profile:**

*Businessperson or investor buying through a foreign company or a Spanish limited company (S.L.).*

### **Advantages:**

*The company may register as a VAT taxpayer. VAT is deductible as a business expense. In some European countries, VAT recovery can be consolidated fiscally.*

### **Obligations:**

*Quarterly tax returns. VAT invoice register. Possible audits by tax authorities.*

## 3. PRIVATE BUYER WITHOUT TAX REGISTRATION

---

*Cannot recover VAT if not registered as a business or if no economic activity is declared. The purchase is treated as a final consumer.*

## ALTERNATIVES AND RECOMMENDATIONS

---

- Hire a tax advisor to handle registration, filings, and VAT recovery.
- Consider establishing a Spanish limited company (S.L.) for better fiscal structure or multiple investments.

### **Legal Note:**

- Recovering VAT involves quarterly tax obligations.
- If the property's use changes within the first 5 years (e.g., for personal use), a proportional amount of the deducted VAT may have to be repaid.

## HOW TO REGISTER WITH THE SPANISH TAX AGENCY AS A NON-RESIDENT

---

- Obtain a Spanish tax ID number (NIE for individuals, NIF for foreign entities).
- Submit form 036 with details of the tourist rental activity (IAE code 685).
- Appoint a tax representative if residing outside the EU.
- File forms 303 (quarterly VAT), 390 (annual VAT summary), and 347 (transactions with third parties).

## TAXES APPLICABLE TO TOURIST APARTMENT INVESTMENT

---

### **Non-resident individual:**

- VAT: 21%, deductible if business activity is declared.
- IRNR (Non-Resident Income Tax): 19% if EU/EEA resident or 24% if non-EU resident.
- IBI (Property Tax) and local tourist fees where applicable.

### **Legal entity (foreign company or Spanish S.L.):**

- VAT: 21%, deductible if used for business.
- Corporate Tax: 25% on net profits.
- IBI and broader tax/accounting obligations.

## APPLICABLE VAT RATE FOR TOURIST APARTMENTS

---

- 10% VAT rate applies when hotel-like services are provided (cleaning, customer service, etc.).
- This is the model Orbesol offers through its comprehensive management service.

