

Special scheme for entities engaged in home rental

Entities engaged in home rental

Companies engaged in home rental enjoy a bonus of 85% of its tax quota, provided they comply with certain requirements and expressly request for the application of the special regime.

Requirements:

- Corporate Purpose: Companies must have as their primary, albeit not exclusive, business the rental of houses for dwelling purposes located in Spain. This activity should be classified as economic activity for tax purposes (with at least one full-time employee). Entities may engage in complementary activities provided the income from home rentals represents at least 55% of the total income of the tax period.
- Rented homes: must meet certain requirements in relation to their number and the time they are leased or offered on lease.
 - a) Number of houses rented: must be a number equal to or greater than 8 at any time in the tax period to which the special regime is to be applied.
 - b) Time on lease: Homes must be leased or offered for lease for at least three years. In case of non-compliance with this requirement, the bonus is lost and in the period that the non-compliance occurs the bonus must be paid back.
- Accounting: Property development and rental activities are subject to separate accounting for each house or premises in which the property is divided.
- To opt for this tax regime: it must be communicated to the Tax Authority and will apply to the tax period that ends after that communication.

Tax relief:

- 85% of the total fee corresponding to the income obtained from home rentals that meet the above requirements.



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