

# Who needs to submit a tax return?

## What's new this year?

Taxpayers may apply for a copy of their tax return/fiscal data for individual Income Tax for the year 2011, from April 10th until July 2nd 2012, according to the Order of the Ministry of Economy and Finance. In addition to this, they may confirm the draft, whatever the result, from that date until July 2nd of the same year.

The draft copy can be obtained and confirmed online via the Tax Agency's website ([www.agenciatributaria.gob.es](http://www.agenciatributaria.gob.es)), although the Tax Office will post the draft to taxpayers whom have not applied for it online as of May 3rd, which is the official date of the Income Tax Campaign in 2011.

Once the draft is received you must review it and make any necessary amendments prior to giving your confirmation of the same. The deadline for online confirmation is from April 10th to July 2nd. If confirmation is done via other methods you may do so as of May 3rd.

If the results of your tax return infer an amount will be repaid to yourself and you want this to go to your account, you must confirm the details no later than June 27th, unless you only set up direct payment to your bank for the second payment.

Like every year, only taxpayers who have earned income from work, investment income with retention or deposit, treasury bills, real estate rents imputed maximum of two properties, capital gains or income subject to withholding on account and grants for the acquisition of residence,

may apply for the draft. Those who have a business or perceive yields than those mentioned above, may not ask for the draft. cannot ask that the draft include any information relating to other economical activities or perceived income aside from those mentioned above.

### Novellies of the campaign

As per usual, every year the application of the drafts commences with the Income Tax Campaign for 2011, which runs from May 3rd to July 2nd. One novelty is that the maximum base for the deduction of investment in a primary residence in the cases of the purchase or rehabilitation of a primary residence has increased to €9.040,00 and for the amounts deposited in a home savings account. The base for installations and adequacy of a main residence on the grounds of disability has also increased to €12.080,00.

In addition, there is a series of changes in the deductions for main residence improvements, as it will no longer be limited to the taxpayers primary residence and it will have a larger group of potential beneficiaries after increasing the annual limit of the base from €53.007,20 to €71.007,20. In addition to this there is an improvement on the amount deductible having been increased from 10% to 20% and increasing from €4.000,00 to €6.750,00 the maximum annual deduction base.

Deductions for double taxation have been abolished on dividends pending application, as over 4 years has passed since the imposed limit in 2006. Alongside

this, the deduction for the birth of a child or an adoption has been repealed as of January 1st 2011, amongst other things.

### Who has to file a tax return?

In any case, a taxpayer who only earns up to €22.000,00 per year from the same source is not obliged to file income tax. If the income is from more than one source then the amount received from the second (and so on) must not be more than €1.500,00. Taxpayers who earn €11.200,00 as a maximum annual income are exempt from the obligation applied to multiple income sources, provided that the sum of the second or other incomes is greater than €1.500,00.

Taxpayers whom are obliged to file a tax return are those which have applied for deductions for property investments, company savings accounts, double taxation, social security mutual benefits, as well as reductions to the contribution base of pension plans or protected assets of disabled persons. These rules still apply to those who have earned less than €22.000,00 as a yearly income.

Lexland Abogados recommends that you always have your draft tax return reviewed by a professional, as from our experience we can guarantee you that many of them are filed incorrectly and as such do not represent the right deductions. We'd like to remind you that our team of specialized members remain at your disposal for any queries or representation in this matter.



Francisco Rodríguez joined the team at Lexland Abogados in 2005 as Head the Tax and Accounting department. He graduated from Málaga University in 1997 with a Degree in Business and Economic Studies, and since then, went on to achieve a Masters Degree in Accountancy in 2007. He has over a decade's experience working as a Tax Consultant for a number of international law firms, and is considered a specialist for all tax and accounting related matters by the "Registro de Asesores Fiscales del Consejo Superior de Colegios Oficiales de Titulados Mercantiles y Empresariales" in Spain, as well as being a member of the Spanish Tax Consultant Association (AEDAF).

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