MAIN TAX MEASURES INTRODUCED BY THE SPANISH GENERAL BUDGET ACT FOR THE YEAR 2016

Corporate Income tax:

- “Patent Box”: With effect from July 1st, 2016, the mode of calculation of the reduction of income from certain intangible assets, the so-called “patent box”, is modified in order to adapt it to decisions adopted by the European Union and the OECD.

- Exempt companies: For the tax periods beginning after January 1st, 2015, taxpayers who apply the partially-exempt organizations regime are exempt from the obligation of submitting declarations.

Personal Income Tax:

- In kind payments: The limit of exemption of health insurance premiums paid as compensation in kind is raised up to EURO 1,500 per year per each disabled person. For non-disabled persons, the limit remains at EURO 500 per individual.

- Objective assessment regime: As a transitional measure for the fiscal years 2016 and 2017, the amount of certain sums which, if exceeded, imply the exclusion from the application of the objective assessment regime, is increased.

Value Added Tax

Exemptions for the rendering of services directly related to exports of goods. With effect from January 1st, 2015, these exemptions are applicable when the services are rendered to freight forwarders and consignees who act on behalf of those carrying out exports, of the recipients of the goods or of their customs representatives.

Exemptions on imports of goods related to warehousing arrangements other than customs. Since January 1st, 2016, the imports of goods intended for tax-free shops, that under customs control, are located in ports and airports, are exempt.

Property Tax
The tax requirement is extended during the fiscal year 2016, but as it is transferred to the Autonomous Communities, the regional regulations should be taken into account.

**Other:**
- Legal interest rate: It is set at 3%.
- Default interest: It is set at 3.75%.

The information contained in this note should not be regarded in itself as specific advice on the matter discussed, but only a first approach to the subject. Therefore it is highly recommended that the recipients of this note search professional advice about their particular case before taking specific measures or actions.

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