

Car purchase and taxes

It may be that Spain is the only country to charge taxes on the transfer of ownership of vehicles, but I'm sure that some sharp reader will tell me that they do in the Gambia or New Guinea for example

That such taxes exist is a complete shock to most expats when they hear of it as we are spoiled in the UK by just being able to send off documents to DVLA to undertake a transfer without even any proof as to who we are. No chance here; both the seller and buyer have to supply their passports and NIE

Who calculates the tax?

There are 10 bits of paper needed to effect the transfer, some of them only held by Trafico, gestors or specialists in this bureaucratic exercise such as myself, but as to the taxes, how are these calculated? For cars and motorbikes, there exists a set of tables produced by the Hacienda (tax office)

The tables show most cars manufactured over the last 30 years or so, their value when new and their value now based upon annual depreciation. For bikes it is simpler as the only information required is the age and CC's. Motorhomes and caravans do not feature on the tables so "market value" is used to determine that tax, i.e. what you paid for it

Once the value has been established, this amount is multiplied by 4%, 6% or 8% depending on which region the buyer lives in and other factors, so a fairly new Mercedes will have higher taxes levied than say a 30-year-old Lada, if such a car has survived! However, if the actual purchase price declared is higher than that on the tables the tax will be levied on the higher value- well what would you expect? So knowing the official value may save you money

This tax only applies to transactions between private individuals. In the case that a vehicle is purchased from a dealer, the dealer also pays taxes so this would be included in the purchase price. Typically, the tax is based upon the amount of profit that the dealer made which is naturally not disclosed to the buyer

Buying abroad

It is widely accepted that cars purchased outside of Spain can be significantly less expensive so many people buy cars in Germany or via specialist companies in the UK that supply Continental spec' cars at very good prices without the hassle of leaving the country, I know because I deal with them. Where a car is purchased from such a dealer, tax is paid on the purchase and if the dealer is a VAT registered company there will be no transfer of ownership tax. Cars bought from non VAT registered dealers are treated the same as if the dealer were a private individual so transfer tax applies. It is important to note that even if the vehicle is presently registered outside of Spain, transfer tax will be levied, if applicable, when the ownership transfer and re-registration takes place

Where a brand new car is purchased from another country any taxes are based on the invoice value even if this is much lower than the Hacienda value, so much can be saved

Buying Spanish in the UK

Many people quite understandably look for Spanish registered cars for sale in the UK. Such vehicles were levied for registration tax at first purchase so this is not payable again. If the car is then purchased from a VAT registered dealer in the UK, there is no transfer tax either what a bonus!

However, if you buy a Spanish registered car in the UK I urge you to buy from the previous owner or a VAT registered dealer or you could be in for problems

Vehicle Taxation is a field where the unwary can be ripped off by the unscrupulous, so seek trustworthy advice as it can save you a lot of money and grief

Spanish Number Plates
Graham Shelton
Orihuela, Alicante
www.spanish-number-plates.com
info@spanish-number-plates.com
966 753 375
605 319 889