



THE SPECIAL MEAN OF TRANSPORTS TAX (IEDMT) - MATRICULATION TAX

The Spanish Matriculation Tax can be enforced in some cases to boats owned by foreigners in Spain.

The actions taken by the Spanish Customs in the past months have certainly caused alarm among the users of foreign flag boats moored in the Spanish coasts. These actions have been focused towards the enforcement of the Special Mean of Transport Tax, commonly known as the Matriculation Tax.

We understand that this alarm is justified considering the little knowledge of the Spanish laws among the expats community live in our country. However it is convenient to point out that the mechanism how this tax is applied is clearly established by the law. The aim of this article is analyze the relevant aspects of this tax.

The Special Mean of Transport Tax is a tax levied at a 12% rate on a boat's value. All the private boats above 8m registered in Spain are subjected to it. On the other hand any boat to be used in Spain by an individual or company resident in Spain must get registered under Spanish flag.

It is important to remark that the obligation of registering a mean of transport in Spain occurs when a boat is used in Spain by a Spanish resident as we said above, independently if that user is the yacht owner or not.

In this sense we must remind that:

1) A person is considered Spanish resident when spends more than 183 days per year in the Spanish territory or have the main centre of business interests in Spain.

2) A company is considered established in Spain when it has a place / office in the country from where it develops its activity.

The fact that a boat spends more than 183 days doesn't involve that his owner or user becomes Spanish resident. If the boat is owned by a company it can't be understood neither that the company is established in Spain just because the boat stays longer than 183 days in Spain.

Saying that, it is possible to assure that a boat, whose owner is not resident or established in Spain, can stay in the Spanish territory as long as desired without any possibility that the matriculation tax might be demanded,

The non Spanish owner or user in case of being required to pay the tax should proof his residency out of Spain by supplying a tax certificate issued by the Tax authorities of the country where he has its residency.

Moving into Spain.

Spain has become in the last years into an appreciated destination for many foreigners who desire to be permanently established in our country. Many of these expats own yachts and it is very common that they bring into our country these means of transport when moving into it. The query which arises is: Must they pay the matriculation tax?

For these situations the Spanish laws establishes a procedure which allows the ownership of a boat to avoid the payment of the tax by fulfilling a series of requirements:

1. The registration must be applied within the first 30 days after becoming resident in Spain.
2. The boat should have paid the standard taxes in the country of origin.
3. The boat should have been acquired at least 12 months before of getting the Spanish tax residency.

The ownership who obtain this tax benefit can not sale the boat before six months.



SUMMARY

1 The ownership of or navigation in Spanish waters of a leisure boat by non-residents does not generate the obligation to pay the Special Tax.

2 The application of the Special Tax does not depend on the period of time that vessels are in Spanish waters; it does depend on the owner or user.

3 Residents in Spain are people who live more than 183 days a year on Spanish territory or have their main centre of business interest in Spain.

4 If a company is a vessel owner, it must pay the Special Tax when it becomes established in Spain or is used by a private resident or established company.

5 Proof of non-residency in Spain can be required, and can be demonstrated by presenting a residency certificate from another country.

6 If vessel owners change their residency to Spain, they can avoid paying the registration tax by fulfilling a series of requirements.

We strongly advise anyone who may be affected by these points to contact a specialist tax adviser",