



Draft Order approving tax form 718

Temporary solidarity tax on large fortunes

7 March 2023

The recently published [Draft Order](#) on tax form 718 for the “temporary solidarity tax on large fortunes” determines the place, manner and filing periods for the return, as well as the conditions and procedures for its filing, and is published along with the related [report](#) and form 718 itself ([Appendix I](#)).

The Draft Order is now subject to the period for comments and public consultation until 15.03.2023 and any contributions may be sent by email to: normativa.sgtt@correo.aeat.es.

Law 38/2022 of 27 December 2022 introduced the temporary solidarity tax on large fortunes (ITSGF per its Spanish acronym). This tax, which is payable by individuals with net wealth exceeding Euros 3,000,000, became chargeable for the first time on 31 December 2022, hence the need to approve the relevant self-assessment form. ITSGF will be payable by Spanish residents in respect of their worldwide wealth, and by non-residents in respect of any wealth located, or related rights that may be exercised or fulfilled, in Spain.

The most salient aspects of the Draft Order are as follows:

1. The filing period for the tax that became chargeable at 31 December 2022 runs from 1-31 July 2023. Taxpayers will thus be able to deduct any amounts paid in respect of wealth tax (WT).
2. Taxpayers wishing to pay the amount due by direct debit must file the return by 26 July 2023.
3. The return will be available in electronic format only and must be filed and paid online.
4. As stated in form 718, the wealth tax payable to be taken into account for the purposes of calculating the combined limit for personal income tax, wealth tax and the tax on large fortunes is that stated in box [040] of the WT return. i.e., the wealth tax payable before deducting any applicable relief (the gross tax payable).

This means that taxpayers resident in Madrid or Andalusia, whose effective WT charge amounts to zero, can perform the relevant calculation using the amount

of the gross wealth tax charge that they would have had to pay in the absence of the 100% regional relief.

If form 718 is ultimately approved on the above terms, it may affect the calculation of this new tax for residents in Madrid and Andalusia, where WT enjoys 100% relief and, albeit to a lesser extent, in Galicia, where WT is subject to partial relief.

The Order is set to enter into force on the day after the date of its publication and will be applicable for the first time to the tax return form 718 for 2022.

For more information on the temporary solidarity tax on large fortunes, read [Tax Alert](#) [PDF 564 KB]

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