

Tax amendments for the real estate sector in Catalonia: reform of transfer tax and stamp duty under Decree-Law 5/2025

Tax Alert



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A string of major tax amendments, affecting both devolved and local taxes, has been introduced by Decree-Law 5/2025, published by the Catalan Regional Government in its Official Journal on 26 March 2025. Of particular note among these new measures, affecting both companies and natural persons alike, are those concerning the real estate sector.

The main measures include the approval of amendments to transfer tax and stamp duty. In this connection, the tax rate for transfer tax applicable to certain property acquisitions has been increased to 20%. Stamp duty has also seen a rise in the rate applicable in the event of waiver of the VAT exemption. Under the new Decree-Law, this rate stands at 3.5% (previously 2.5%).

Although the bulk of the provisions of Decree-Law 5/2025 entered into force on 27 March 2025 –the day following its publication in the Official Journal of the Catalan Regional Government–, certain provisions are set to take effect on a specific date. Most of the measures introduced in respect of the transfer tax and stamp duty will enter into force on 27 June 2025, i.e. three months after the day following their publication in the Official Journal of the Catalan Regional Government, with the exception of one provision, which will be detailed below.

Although this analysis focuses on the measures introduced in respect of transfer tax and stamp duty, the new legislation also ushers in amendments to personal income tax, inheritance and gift tax and local taxes.

26 March 2025 also saw the publication of [Decree-Law 6/2025](#), amending the tax on stays in tourist establishments by increasing the relevant tax rates and allowing new municipal surcharges to be introduced, both in Barcelona and in other municipalities.

Transfer tax changes

1.- General rate applicable to property transfers.

Effective from 27 June 2025, the tax rates applicable to property transfers and the arrangement and transfer of rights in rem on such property are amended.

Prior to the entry into force of Decree-Law 5/2025, article 641-1 of book six of the Tax Code of Catalonia provided for the following tax rates:

Total property value From (Euros)	Gross tax payable (Euros)	Remaining value up to (Euros)	Applicable rate (%)
0.00	0.00	1,000,000.00	10
1,000,000.00	100,000	Onwards	11

Under Decree-Law 5/2025, the number of tax brackets has risen from two to four, with rates ranging from 10% to 13%. Furthermore, properties with a value exceeding Euros 600,000 are now subject to heavier taxation. Effective from 27 June 2025, property transfers will be taxed at the average rates shown in the table below:

Total property value From (Euros)	Gross tax payable (Euros)	Remaining value up to (Euros)	Applicable rate (%)
0.00	0.00	600,000.00	10
600,000.00	60,000.00	300,000.00	11
900,000.00	93,000.00	600,000.00	12
1,500,000.00	165,000.00	Onwards	13

2.- Fixed rate of 20% on the purchase of properties by large-scale property owners.

A rate of 20% has been established for property acquisitions by large-scale property owners, be they natural persons or legal entities, also effective from 27 June 2025. The legislation specifies that the tax rate also applies to the transfer of entire residential buildings.

The Decree-Law defines both residential property and large-scale property owner, and lays down the following exceptions to the 20% rate:

- Where the acquiring party is a social housing developer per article 51.2 of Law 18/2007 of 28 December 2007, on the right to housing, or a private non-profit entity that provides homes for individuals or families in a vulnerable housing situation.
- Where the property acquired is intended to be used as the headquarters or place of business of the large-scale property owner.

3.- Fixed rate of 20% on the purchase of an entire residential building.

This increased rate of 20% is also applicable to the transfer of an entire residential building to a natural person or legal entity, effective from 27 June 2025.

The Decree-Law provides that if the building is transferred gradually, the transfer tax returns submitted by the taxpayer for each partial transfer will be considered provisional. The situation must be adjusted in the final return, by applying a rate of 20% of the total value of the building, deducting any amounts already paid in the previous returns and adding the relevant late-payment interest.

The new legislation provides for two scenarios where the 20% tax rate does not apply:

- Firstly, where either of the two exceptions indicated above for the acquisition of residential properties by large-scale property owners apply, i.e. where the acquiring party is a social housing developer or a non-profit entity that provides homes for individuals or families in a vulnerable housing situation, or in the case of acquisitions of properties intended to be used as headquarters or a place of business.
- Secondly, where the following circumstances simultaneously arise:
 - ✓ The buyer is a natural person.
 - ✓ The building contains a maximum of four dwellings.
 - ✓ All of the dwellings are to be used as the main residence of the buyer and their family members up to the second degree of kinship. This requirement will be deemed met where the buyer and their family members take up effective and permanent residence within 12 months of the acquisition and reside there for a continuous period of three years, except in certain cases.

4.- Derogation of the allowance for the transfer of residential properties to real estate companies.

Article 641-8 of book six of the Tax Code provided for a allowance for real estate companies, according to which the total or partial transfer of one or more residential properties and their annexes to a company subject to the standards adapting the Spanish General Chart of Accounts for the real estate sector may be eligible for a 70% allowance for the purposes of the transfer tax, provided that such company meets the following requirements:

- a. It incorporates the residential property into its current assets with a view to selling it.
- b. Its core activity is the construction of buildings, real estate development or the sale and purchase of real estate for its own account.

The allowance was considered provisional, and whether or not it became definitive depended on the transfer of the property to another real estate company or to a natural person within three years of its acquisition.

This allowance has been derogated under paragraph 2 of the derogation provision of Decree-Law 5/2025, without specifying the date on which such derogation is set to enter into force or providing for a transitional system for acquisitions in respect of which the three-year period has not yet expired upon entry into force of the derogation.

Since the Decree-Law does not indicate a specific date for the entry into force of this derogation, it is reasonable to believe that it will be effective from the general date of entry into force, i.e. 27 March 2025 (the day following its publication in the Official Journal of the Catalan Regional Government).

5.- 100% allowance for non-profit housing cooperatives.

A 100% allowance is applied to transfer tax payable by housing cooperatives qualifying as non-profit entities.

6.- Allowance for the transfer of office buildings or incomplete building structures for conversion into social housing.

A **50% allowance** has been established for transfers of office buildings or incomplete building structures to be converted into social housing, effective from 27 June 2025.

This allowance is granted on a provisional basis and requires social housing status, or a provisional declaration of such status, to be obtained within a period of three years.

7.- Allowance for the transfer of property intended to be used as the headquarters or place of business of professional companies or businesses.

A 50% allowance is also established for transfers of property intended to be used as the headquarters or place of business of professional companies or businesses. To qualify for this allowance, the following requirements must be met:

- The professional company or business must have its registered office and tax domicile in Catalonia, or this must be the case upon acquisition of the property.

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- The property must be used, within a maximum period of six months from its acquisition, for the pursuit of an economic activity other than the management of movable or immovable assets. To determine whether the company or business is engaged in the management of movable or immovable assets, regard will be had to the provisions of the relevant inheritance and gift tax legislation in force in Catalonia.
- The professional company or business must continue to operate for five years following the date of the public deed documenting the acquisition.
- In the year in which it acquires the property, the professional company or business must increase its overall workforce with respect to the previous year and maintain this workforce for at least three years.
- A 50% allowance has been established for public deeds documenting the transfer of real estate that is to constitute the headquarters or place of business of professional companies or businesses, provided that the aforementioned requirements for applying the allowance for transfers for consideration are met and the VAT exemption has not been waived in respect of the transfer.
- The 75% allowance for stamp duty on public deeds relating to horizontal division on land divided into plots has been reinstated in the case of industrial and logistics parks. This allowance is applicable to taxable events taking place up until 31 December 2027.

8.- Other measures.

A reduced rate has been introduced for the purchase of dwellings for victims of gender violence, provided they meet certain requirements, and the age requirement for young people purchasing their main residence to be able to apply the current 5% rate for transfers for consideration has been increased to 35 (previously 32), provided the income requirements set out in the provision are also satisfied (income must not exceed Euros 30,000).

Stamp duty changes

Effective from 27 June 2025, the following amendments have been made to the progressive stamp duty for notarial documents:

- The stamp duty levied on property transfer documents in respect of which the VAT exemption has been waived has been raised to 3.5% (previously 2.5%).
- A 100% allowance has been approved for the stamp duty levied on public deeds of transfer subject to VAT for young people acquiring their main residence who meet certain income threshold requirements.
- A 50% allowance has been established for public deeds relating to the transfer of office buildings or incomplete building structures for conversion into social housing. This allowance also applies to the deed reflecting the mortgage granted for the acquisition of such properties.

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