

Withholding taxes

Foreign crew & cast that needs to come to Spain for the production of audiovisual content need to comply with the IRNR tax (Impuesto Renta no Residente- Non residents Rent Tx).

Article 13.b) 3rd LIRNR specifically establishes the obligation to pay taxes for artists when they shoot in Spain:

3.º When they derive, directly or indirectly, from the personal performance in the Spanish territory of artists and athletes, or from any other activity related to those performances, even when they are levied by a person or entity other than the artist or athlete.

c) *Earnings from work:*

1.º When they are levied, directly or indirectly, from a personal activity carried out in the Spanish territory.

The tax base is the salary received for the days of actual filming in Spain. The WHT is 24% for non-EU citizens and 19% for EU citizens

If they stay in Spain for more than 183 days, Spanish authorities can consider the employee as a Spanish Resident and thus, the employee shall pay the IRPF (Impuesto sobre la Renta de las Personas Físicas), unless it can be proved that the employee has the fiscal residence in another country.

For this purpose, all remunerations received by crew & cast while in Spain and which are not business earnings, are employment income.

Income Included

Amongst others, the following income is regarded as gross employment income:

- Salaries or wages.
- Living allowances.
- Housing allowances.
- Bonuses.
- Tax reimbursements

Withholding %

For all the income, the non – residents are taxed at the general 24% of the incoming, 19 if they are EU nationals.

Withholdings and advance tax payments are payable on salaries and wages and on benefits.

There are not specific thresholds. In any case, as Spain has Double Taxation Agreements with different countries, depending of the country of origin, the applicable tax will change. For example, in the Spanish-USA Agreement it is stipulated that the artists shall not pay the Spanish tax if the earnings while in Spain is under 10.000\$.

Procedure

In order to file the WHT application, it is needed the NIE (VAT number for Foreign entities and individuals) of the Production Company as tax payer.

In relation to the accrual and payment, WHT are paid quarterly. The payment must be done in Euros (exchange rate calculated on the date of payment) and through Spanish banks only. We can transfer the money from an Ecija bank account on your behalf if needed.