Spain: Significant reductions in personal income tax modules

This standard contains the proposals of the Ministry of Agriculture in view of the exceptional circumstances affecting the profitability of many farms in 2015. In this context,

farmers will find themselves with new products that pose an attenuation of the tax burden. Thus, reductions at national level for milk cattle, rabbits, ranching, olive products, tomato and citrus are contemplated.

The Official Gazette published an Order of the Ministry of Finance and Public Administrations in which the net yield indices are set in the tax declaration for objective estimation (modules), which collect the proposals of the Ministry of Agriculture, Food and Environment Deduction environment in the tax burden for farmers.

On April 6 began the deadline for electronic filing (via Internet) of the declaration of Income Tax of Individuals 2015, period commencing on 10 May for the other presentations.

In this context, farmers will find themselves with new products that pose an attenuation of the tax burden, in view of the exceptional circumstances that occurred in 2015. Thus, reductions are contemplated at national level, for cattle of milk, rabbit farming, ranching, olive products, tomato and citrus.

Noted that the personal income tax regime modules is the majority of farmers and stockbreeders. Specifically, it is the system of choice for more than one million respondents.

Reduction modules

Modules reductions approved today translate into a proportional reduction in the tax base derived from the yields of agricultural activity and, therefore, the result of the tax declaration. Thus, the reductions established on a national basis, for the declaration of the 2015 income of farmers, are as follows:

- Apiculture (0.26 to 0.18).
- Bovine milk (0.32 to 0.16).
- Extensive cattle meat (0.13 to 0.09).
- Extensive cattle breeding (0.26 to 0.18).
- Cunicultura (0.13 to 0.07).
- Citrus fruits (from 0.26 to 0.22).
- Sheep and goats extensive meat (0.13 to 0.09)
- Extensive Sheep and goats milk (0.26 to 0.18)
- Extensive Porcine meat (0.13 to 0.09).
- Porcine extensive breeding (0.26 to 0.18).
- Products Olive (from 0.26 to 0.22).
- Tomato (from 0.26 to 0.22).

It should be remembered that in all these products were produced exceptional circumstances in

2015, which changed the normal relationship between income and costs that reflect their structural indices.

In the field of livestock, the corrective index for feed purchased from third parties, applicable when acquired outside the feed exploitation and other products that represent more than 50% of the amount consumed, it is exceptionally reduced to 0.75, in the cases of intensive pig farm meat and poultry; and 0.65 for the rest of livestock activities.

Moreover, the main adverse weather conditions on agricultural production in 2015 was drought, which affected large areas of the country, especially the southern half peninsular. The lack of water seriously hurt rainfed yields and limited availability of pastures ranching. Therefore, reductions have been established in the affected areas in the production of cereals, legumes and oilseeds, among others.
From fiscal and agricultural information available, it is estimated that all of these modules may involve reductions, compared to a normal year, a reduction of the tax base of about 413 million euros.

Reductions in the use of electricity for irrigation

Also, the HAP / 2222/2014 Order introduced a permanent basis a weighting that may continue to apply electricity to farmers using irrigation on the net yield of irrigated crops and a reduction of 20% thereof.

This measure was agreed by the Government, together with the partial exemption from 85% Tax Electricity for irrigators, in order to offset the effect on irrigators rise in electricity tariffs summer 2013. With these measures it fulfills the Government's commitment to equate the irrigator group with other economic sectors, as regards the impact of rising electricity costs.

At the same time, it notes that this order provides in its first additional provision a reduction of 5% of net income calculated by the method of objective estimate for 2015. This is an extraordinary measure of horizontal nature affects all farmers and farmers who pay taxes in objective assessment, the effect is therefore greater than any reduction in specific modules.

Order published today in the Official Gazette

Source: MAGRAMA