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HiFX

Brits due tax from Spanish

HUNDREDS of Britons have come forward to claim their share of an estimated £37million tax refund after selling holiday homes in Spain.

The claims have arisen because the Spanish government was found to have charged foreign nationals too much capital gains tax (CGT) when they sold property in the country.

Until the end of 2006, foreigners faced CGT of 35 per cent on such sales, compared with 15 per cent for Spanish nationals. For a property worth €150,000 (£120,000) this would represent a difference of €30,000.

But a ruling by the European Court of Justice said the double standard amounted to discrimination and it ordered Spanish ministers to apply the same tax rate to all EU citizens.

A firm of Spanish lawyers says anyone who sold property in the country before December 2006 — when the tax regime was amended — should add their name to the hundreds already applying for compensation.

Emilio Alvarez from Valencia-based solicitors Costa, Alvarez, Manglano & Associates said: "A change in the law at the start of 2007, which saw the

By **Chris Torney**

standard capital gains tax for non-Spanish residents being brought in to line, passed by largely unnoticed.

"As a result, thousands of people who had previously sold property in Spain are entitled to a 20 per cent rebate, with estimates now standing at £19,000 each, plus interest."

Alvarez added that there was a four-year cut-off for claims, so anyone who sold before June 2004 would no longer be eligible for a refund.

Costa has set up a website in association with currency exchange firm **HiFX** to help consumers reclaim their tax. Visit www.spanishtaxreclaim.co.uk or call the helpline on 0845 680 3849.

The service operates on a no-win, no-fee basis but will take 35 per cent of any compensation, plus some costs.

Alternatively, individuals could contact the advisers who helped conduct the sale for help.

HiFX spokesman Mark Bodega added: "More than 300 people have registered to be part of the class action, which is a huge response, but we anticipate there are more than 4,500 British people affected by this."