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Spanish could owe Brits up to 86m

Hundreds of Brits have joined forces to bring a class action against the Spanish Government in a bid to reclaim an estimated 86m in overpaid capital gains tax (CGT This is Money that Britons who sold a Spanish property between between June 2004 and December 2006 could be owed cash as a result of a Spanish Government's capital gains tax 'scam'.

So far a plethora of UK citizens who sold a property in Spain have joined the fight to reclaim money from the Spanish government, who overcharged them. However, where as initial conservative estimates put the total amount to be reclaimed at 11,000 per person - over the past three months hundreds of Brits have registered average reclaims of more than 19,300 each - totaling more than an estimated 86m. The tax loophole, originally exposed by currency exchange brokers HiFX and Spanish lawyers, Costa, Alvarez, Manglano & Associates - came about after British non residents paid a Spanish Non Residents' Income Tax rate of 35% on any capital gains, compared to a rate of 15% paid by Spanish nationals.

The 20% overpayment not only totals a profit somewhere in the region of an estimated 86m, but also contravenes European Community Treaty rules on discrimination and therefore was unduly charged by the Spanish Government.

British people applying for a refund are also set to add on missing interest at a compound rate of 6% to their reclaims, meaning payouts could be on average 26% larger than first thought. But while hundreds have already joined forces in a bid to reclaim their tax, thousands more are still to come forward.

But those who sold property previous to June 2004 have already missed out on being able to make a reclaim on their overpaid tax, as under Spanish law claims can only be made dating back over a four year period, meaning millions more have become victim to this tax trap.

Spanish lawyer, Emilio Alvarez, says: 'If anyone believes they have been affected by this they need to move quickly, due to stringent legal restrictions some people have already missed out but thousands of Brits can still join forces and fight to get the Spanish tax authorities to pay back the money owed.

'In some cases potential claimants are being put off by the lawyers who acted for them during the sale as they are being told that they will not be able to get hold of the necessary forms (Form 212) or that this consumer campaign will not succeed. As a result, we are offering to speak to the Spanish Tax Office on behalf of any clients who have doubts to ascertain whether or not they are eligible and get the forms they need.' For more information, and details of how to register your interest, visit spanishtaxreclaim.co.uk, call the helpline on 0845 680 3849 or : info@spanishtaxreclaim.co.uk Other stories:

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