

Your Money

Edited by
CHRIS TORNEY
Personal Finance
Editor of the Year

Picture: ALAMY



REFUNDS DUE:
Spanish holiday
home owners
could receive a
tax windfall

Brits in Spain tax rebate

BRITONS who have sold holiday homes in Spain could be in line for tax rebates worth thousands of pounds each following a decision by the European Court of Justice.

Until the end of 2006 the Spanish government imposed a higher rate of capital gains tax — 35 per cent — on foreign nationals than on its own citizens, who paid 15 per cent tax.

But the court in Luxembourg ruled that this distinction was discriminatory, and ordered Spain to apply the same tax rate to all European Union residents.

Spanish solicitors Costa, Alvarez, Manglano & Associates now believe that anyone who sold property in Spain between April 2004 and December 2006 and who paid capital gains tax at the higher rate is entitled to have the difference refunded. The April 2004

cut-off is due to a four-year statute of limitations covering such claims.

Spokesman Emilio Alvarez said: "This tax trap is thought to have affected hundreds of thousands of people across Europe and in the UK."

Costa, Alvarez, Manglano & Associates, which is based in the city of Valencia, has set up a website, www.spanishtaxreclaim.co.uk, in association with currency exchange brokers HiFX, to help consumers make claims.

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

Sellers could alternatively seek the refund through the legal adviser who helped them arrange the sale of their Spanish property.

CHRIS TORNEY