

Spanish tax rebate for holiday home sellers

THOUSANDS of Britons who profited by selling property in Spain between March 2004 and December 2006 could be owed a 20% tax rebate from the Spanish government, *writes Ali Hussain*. Refunds could total more than £50m, according to a Spanish lawyer, and translate to about £11,000 for each claimant.

The European Commission has ruled that Spain contravened European Union legislation by charging foreign non-residents a higher rate than Spanish nationals. Those who sold a home before changes to the rules last year were charged the Spanish non-residents' tax rate of 35% on any capital gains instead of the Spanish flat rate of 15%.

About 4,500 British people, plus thousands more in other European countries, can now try to reclaim the difference, plus interest, from the Spanish authorities. Emilio Alvarez of the firm Costa, Alvarez, Manglano & Associates, is helping them to reclaim their

money. He has already helped around 70 UK customers file a claim, he said. The currency specialist HiFX said at a conservative estimate, Britons are each due £8,300 in overpaid capital gains tax. Add to that interest of around 6% from when the tax was paid and those who made gains on Spanish property could be owed almost £11,000.

"A change in the law at the start of 2007, which saw the standard capital gains tax for non-residents being brought in line, passed by largely unnoticed," said Alvarez. "This tax trap is thought to have affected hundreds of thousands across Europe and in the UK.

Although a final judgment on payouts could take years, Alvarez said those affected need to put in a claim now to avoid falling outside the four-year registration period.

For more information, go to www.spanishtaxreclaim.co.uk or telephone 0845 6803849.