



The Royal Decree-Law 9/2015, on urgent measures to reduce the tax burden placed on Personal Income taxpayers, and other measures of economic nature, was published last July the 10th.

Since this Royal Decree-Law modifies Personal Income Tax Law 35/2006 of November the 28th, which remained effective until January 1, 2015, it must be contemplated on said month's tax obligations.

Amongst the most relevant revisions, we would like to bring attention to the reduced rate of withholding or payment on account applied to income from professional activities, fixed at 15%. Along with this reduction, the percentage of retention or payment on account that will affect the first three years of professional activity will decrease from 9% to 7%.

Regarding labor income, this Royal Decree-Law introduces a new retention scale to measure the rate of withholding or payment on account. Said scale will be effective as of August 1, 2015, causing a widespread reduction of labor income retention. Nevertheless, taxpayers will be able to utilize this new scale starting on July 12, 2015, date on which the present Royal Decree-Law takes effect.

In the matter of labor income emerging from courses and conferences, and from the creation of literary, scientific, or artistic works, the fixed-rate amount of withholding or payment on account is reduced by the same amount as the abovementioned cutback.

In reference to savings income—and other income subject to retention, we would like to highlight the decrease in the rate of withholding or payment on account, from 20% to 19,5%, applicable on the effective date of this Royal Decree-Law.

Finally, these regulations modify Corporate Tax Law 27/2014 of November the 27th, decreasing the applicable percentage of retention or payment on account from 20% to 19,5%. These cutbacks will be observed starting on the date of this Royal Decree-Law's enforcement, and will be considered effective since January 1, 2015.

TAX ALERT

**ROYAL DECREE-LAW
9/2015 OF JULY the 10th**

