



VAT

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What is VAT and what is it for?

VAT (Value Added Tax) is an indirect tax levied on consumption. It is an increase of a percentage in the price of each item that we buy and of each service that we receive. The income obtained from this tax serves to provide resources to the State.

General VAT rate at 21%

The 21%, which is applied to all activities subject to VAT, unless one of the other two types is applied to them.

VAT super reduced to 4%

The super-reduced VAT rate of 4% applies to items that are considered essential. These are staples of the shopping cart (milk, bread, etc.), books (except the electronic book), medicines for human use, newspapers (newspapers and magazines), prostheses, internal implants, orthotics and vehicles for people with disability.

VAT reduced with 10%

The reduced VAT rate of 10% is applied to food products and goods for agricultural, forestry or livestock use, medicines for veterinary use, water, pharmaceutical products for use by consumers, purchase of homes and garages, rehabilitation works and home renovation , flowers and plants, passenger transport services, amateur sports services, social assistance, trade fairs and exhibitions, among others.

Previous VAT in Spain

Date	Super-reduced VAT	Reduced VAT	General VAT
01/09/2012	4,00%	10,00%	21,00%
01/07/2010	4,00%	8,00%	18,00%
01/01/1995	4,00%	7,00%	16,00%
01/01/1993	3,00%	6,00%	15,00%

Comparison with european countries

Within the European Union, the countries with a lower general VAT rate than Spain are:

- Luxembourg (17%)

- Malta (18%)

- Germany, Cyprus and Romania (19%, respectively)

- Austria, Bulgaria, Slovakia, Estonia, France, Monaco, United Kingdom (20%, respectively).