# General State Budget Law for 2021: Review of the tax measures

**Law 11/2020, of December 30, 2020, the General Budget Law for 2021, (LPGE) was published in the Official State Gazette (BOE) on December 31, 2020. It includes numerous measures related to various taxes, which are summarized below.**

The LPGE came into force the day after its publication in the Official State Gazette (BOE), although specific rules are determined in a few cases, as we will point out below.

## 1. Corporate income tax

The following amendments are made to Law 27/2014, of November 27, 2014, the Corporate Income Tax Law, (LIS), taking effect for periods beginning on or after January 1, 2021.

### 1.1 Reduction to the amounts relating to dividends and income arising from the transfer of securities for the purposes of applying the measures to avoid double taxation

Amounts relating dividends and shares in income and income obtained from the transfer of shares must be reduced by 5% in respect of management costs, for the purposes of applying the measures to avoid double taxation.

1.1.1 In relation to double taxation relief

For the purposes of the double taxation relief under article 21 LIS, amounts relating to dividends and income obtained from the transfer of shares must be reduced by 5% in respect of nondeductible management costs; which reduces the effective relief to 95%.

In tax groups, this 5% cannot be eliminated, despite relating to dividends and income obtained from the transfer of securities distributed and obtained (respectively) within the tax group.

From the wording of the law, this relief limit appears to apply cumulatively in chains of investments, regardless of the number of indirectly-owned entities.

Temporarily, this rule will not apply to dividends and shares in income (although it will apply to the income obtained from the transfer of securities) where the following requirements are met (simultaneously):

a) In relation to the entity receiving the dividends:

   a. It must have net revenues below €40 million in the tax period immediately preceding the period in which the dividends are distributed. For newly created entities, the net revenues figure refers to the first tax period in which the entity is actually in operation. If the immediately preceding tax period was shorter than a year, or the entity was in operation for under a year, the net revenues figure is grossed up to one year.

   b. It must not be a patrimonial company, in accordance with article 5.2 LIS.

c. It must not form part of a business group within the meaning of article 42 of the Commercial Code before the creation of the subsidiary distributing the income (regardless of where it has its residence and of the obligation to prepare consolidated financial statements).

d. It must not own, before the creation of the subsidiary distributing the income, a direct or indirect, interest in the capital or equity of another entity, equal to 5% or more.

b) In relation to the entity distributing the dividends:

It must have been created after January 1, 2021 and, since its creation, it must have been wholly owned, directly or indirectly, by the recipient of the dividends.

c) In relation to when the dividends are distributed:

They must be received in tax periods ending in the 3 years immediately preceding or following the year of creation of the subsidiary distributing them.

According to the Preamble of the LPGE, these requirements limit this exception to "companies that have net revenues below €40 million and are not part of a business group (…) for a period not longer than three years, where they come from a subsidiary, resident or otherwise in Spain, created after January 1, 2021".

1.1.2 In relation to the international double taxation tax credit: dividends and shares in income

In line with the reduction to the relief described above, it also limits the international double taxation tax credit (for dividends and shares in income) under article 32 LIS, by reducing the base used to calculate tax payable which acts as a maximum amount for the credit, by 5% of the income received (also in respect of nondeductible management costs).

This reduction is not applicable at entities with net revenues below €40 million (subject to the same conditions and requirements as those mentioned in point 1.1.1 above).

1.1.3 International tax transparency rules

The international tax transparency rules are amended as follows:

a) To date, when income was attributed to the tax base under the international tax transparency rules, any dividends or shares in income relating to that previously attributed income were not included. Following the entry into force of this law, 5% of those dividends and shares in income must be included in respect of management costs, unless the entity's net revenues are below €40 million (subject to the same conditions and requirements as those mentioned in point 1.1.1 above).

b) Similarly, to date, to calculate the income obtained from share transfers, the acquisition value was increased by the income which, without an effective distribution, relates to attributed income. Following the entry into force of this law, 5% of this undistributed income will not be taken into account to increase that acquisition cost.

It must be remembered that a bill on measures to prevent and combat tax fraud (Anti-Fraud Law) is currently going through parliament, which proposes the introduction of other amendments to international tax transparency rules.

## 1.2 Restriction of "minimum ownership interest requirement" for claiming double taxation measures and calculating deductible finance costs

1.2.1 In relation to the relief under article 21 of the Corporate Income Tax Law (LIS)

One of the requirements for claiming the relief under article 21 LIS states that the ownership interest in the capital or equity of the entity distributing the dividends or whose securities are transferred must be at least 5%. However, if the ownership interest percentage is below 5%, it is allowed to deem that requirement met if the acquisition cost is higher than €20 million.

This option has now been eliminated, so the relief is not claimable if the ownership interest is below 5%, even if the acquisition cost is higher than the €20 million threshold mentioned above.

However, for shares acquired before January 1, 2021, a transitional regime has been specified for a five year period (until periods beginning in 2025, in other words), in which that relief is allowed to be claimed if the other requirements laid down in the legislation for this purpose are met.

1.2.2 In relation to the international double taxation tax credit under article 32 LIS: dividends and shares in income

Similarly, the international double taxation tax credit is not claimable for income from shares in entities having an acquisition cost higher than €20 million, but in which the ownership interest is below 5%.

For shares acquired before January 1, 2021, a transitional regime has been specified for a five year period (until periods beginning in 2025 in other words), in which the tax credit is allowed to be claimed if the other requirements laid down in the legislation for this purpose are met.

1.2.3 Deduction of financial expenses

Article 16 LIS states that deductible finance costs cannot exceed 30% of the operating income in the period. This operating income is calculated by reference to financial income from shares in equity instruments, as long as they relate to dividends and shares in income of entities in which, either the direct or indirect ownership interest is at least 5%, or their acquisition cost is higher than €20 million.

In line with earlier amendments, to be able to include dividends or shares in income in operating income for the purposes of deducting finance costs, they will have to come from interests equal to or higher than 5%.

In this case no transitional regime is specified.

## 1.3 Tax credit for investments in productions of films, audiovisual series and live shows of performing arts and music

a) Tax credit for anyone funding the works:

The tax credit for investments in productions of films, audiovisual series and live shows of performing arts and music has been amended to allow anyone participating in funding ("funder") a work produced by another taxpayer to claim it also, although the law specifies that the tax credits are incompatible with all or any part of the other.

The requirements are as follows:

i. The funder must contribute funding to cover all or part of the costs of the production.

ii. The funder cannot acquire copyrights or other rights in the earnings of the production, which must be owned in all cases by the producer.

iii. The funders' contributions may be made at any stage of production until the certificate of nationality is obtained.

iv. The producer and the funder must sign a funding agreement specifying, among others, the following elements:

   - Identity of the contributors participating in the production.
   - Description of the production.
   - The production budget with a detailed description of costs and particularly any that will be incurred in Spain.
   - How the production will be funded, specifying separately any sums that will be contributed by the producer, any that will be contributed by the funder, and any relating to subsides and other support measures.
   - Any other elements required by the regulations.

   The deduction in respect of the contributed amounts will be made through a tax credit against net tax payable as specified in the agreement and as required in point 1 and point 3 of article 36 (on the tax credit).

v. The funder's tax credit is incompatible with all or any part of the producer's.

The tax credit must be calculated and claimed as follows:

- The funder's tax credit is calculated in the same way as the producer's, except that it is capped at an amount calculated by multiplying the provided funding by 1.20. Any excess may be claimed by the producer.
- The tax credit is claimable each year, by reference to the contributions paid in each taxable period.

To be entitled to the tax credit the funding agreement must be filed together with the certificates required in the legislation, by way of a notification to the tax authorities, signed by the producer and by the funder, before the end of the taxable period in which the tax credit is generated, in the manner that will be specified in the regulations.

b) Lastly, in relation to the requirements for claiming the tax credit (for both the producer and the funder), and specifically to the need for the production to obtain (i) a certificate of nationality and (ii) a certificate evidencing its cultural nature in relation to its contents, its connection with the cultural reality in Spain, or its contribution to enriching the cultural diversity of film works shown in Spain, the LPGE has added that those certificates are binding for the competent tax authority with respect to evidencing and claiming the tax credit and identifying the beneficiary producer, regardless of when they are broadcast.

### 1.4 Common rules applicable to tax credits for investments

Article 39 LIS contains the common rules on tax credits for investments under chapter IV of title VI of the law:

a) Limit for claiming the tax credits: The law specifies that any tax credits allowed in that chapter which are claimable in the taxable period, cannot exceed in aggregate 25% of the gross tax payable after subtracting international double taxation tax credits and tax reductions. However, this limit has been raised to 50% for the R&D&I tax credits relating to costs and investments that took place in the taxable period and exceed 10% of the gross tax payable after subtracting international double taxation credits and tax reductions.

   Now this increased limit has been broadened to apply also to the tax credit for investments in film productions, audiovisual series and live shows of performing arts and music.

b) Holding period for investments: As a general rule, assets eligible for the tax credits must remain in operation for a five year period, running from their acquisition, or for their useful lives if lower than 5 years. For personal property the period has been reduced to 3 years or its useful life if lower.

   It has now been added that, in the cases of film productions and audiovisual series, this requirement is deemed to be met if the production company holds its percentage ownership of the work for a three year period, which does not affect its right to sell all or part of its exploitation rights to third parties.

## 2. Nonresident income tax

The following amendments have been added to the Revised Nonresident Income Tax Law, approved by Legislative Royal Decree 5/2004, of March 5, 2005 (LIRNR), and take effect from the entry into force of the LPGE.

### 2.1 Extension of the exemption for interest and capital gains to residents in the European Economic Area

Article 14.1 c) LIRNR allows EU residents to claim a specific exemption for (i) interest and other income derived from the transfer to third parties of own capital, and for (ii) capital gains derived from the transfer of personal property without a permanent establishment.

However, unlike other exemptions under article 14, such as those in letters h) (parent-subsidiary dividends), k) (dividends obtained by pension funds) and l) (dividends obtained by certain collective investment vehicles), the exemption was not hitherto claimable by residents in the European Economic Area (EEA).

The LPGE has remedied this situation, by including entitlement to the exemption also for residents in the EEA, where there is an effective exchange of information with the states belonging to the EEA as described in point 4 of additional provision one of Law 36/2006, of November 29, 2006, on measures for the prevention of tax fraud (which will foreseeably be amended by the antifraud Law).

### 2.2 Restriction of the "minimum ownership interest requirement" for claiming the exemption for dividends distributed to parent companies resident in the EU

In line with the amendment described in point 1.2.1 above, it has also removed the option, for the purposes of the exemption for dividends distributed to EU parent companies under article 14.1 h) LIRNR, for the minimum ownership interest requirement to be deemed met if the acquisition cost is higher than €20 million, even if the ownership interest is lower than 5%.

However, for shares acquired before January 1, 2021, a transitional regime has been specified for a five year period (until periods beginning in 2025, in other words), in which that exemption is allowed to be claimed if the other requirements laid down in the legislation for this purpose are met.

## 3. Personal income tax

Starting on January 1, 2021 and taking effect indefinitely, the following amendments have been made to Law 35/2006, of November 28, 2006, the Personal Income Tax Law (LIRPF).

### 3.1 Increase to the tax scale for the general component of income and to the scale for withholding tax on salary income

A new bracket has been added for the portion of the general component of net taxable income that exceeds €300,000, on which the tax rate has been raised from 22.5% to 24.5%. If there is no own autonomous community scale, the maximum marginal rate amounts to 47% (as opposed to the 45% rate hitherto applicable).

Consistently with this, a new bracket has been added for salary income withholding bases that exceed €300,000, which has raised the maximum withholding rate from 45% to 47%.

### 3.2 Increase to the tax scale for the savings component of income

A new bracket has been added for the portion of the savings component of net taxable income that exceeds €200,000, on which the tax rate has been raised from 23% to 26%.

### 3.3 Increase to the tax scales applicable under the inbound expatriates regime

Consistently with the above, the tax scales applicable to workers sent to Spain have been amended as follows:

a) The rate applicable to the portion of the general component of net taxable income that exceeds €600,000 has been raised from 45% to 47%.

b) A new bracket has been added for the portion of the savings component of net taxable income that exceeds €200,000, on which the tax rate has been raised from 23% to 26%.

c) The withholding tax rate applicable to income paid by a same payer that exceeds €600,000 has been increased from 45% to 47%.

### 3.4 Reduction for contributions to pension and welfare programs

The maximum annual amount for contributions to pension and welfare programs qualifying for a reduction has been reduced from €8,000 to €2,000.

However, this limit will be increased by €8,000 (to €10,000 in other words), whenever the increase comes from employers' contributions. For these purposes, employers' contributions means the employer's own contributions to pension plans or welfare mutual insurance companies, in relation to which they are, in turn, sponsor and investor or mutual entity member, together with any they make to company welfare and pension plans or group insurance policies with dependent coverage in which they are both policyholder and insured.

The financial limits for contributions to welfare and pension programs have been amended accordingly.

Lastly:

a) The maximum annual limit has been reduced from €2,500 to €1,000 for contributions qualifying for a reduction made to welfare benefit programs for a spouse that does not obtain salary income or income from economic activities or obtains those types of income below €8,000 annually.

b) The maximum annual limit has been reduced from €8,000 to €2,000 for the aggregate amount of reductions made in respect of all individuals paying premiums to private insurance policies covering only the risk of severe dependence or major dependence for the same taxpayer, including for the taxpayers themselves.

### 3.5 Extension of the limits disqualifying taxpayers from the objective assessment method for personal income tax purposes

The LPGE has extended for the 2021 taxable period the quantitative limits determining the scope of the objective assessment method for personal income tax purposes by reference to the volume of gross revenues from all economic activities (€250,000 - €125,000 where an invoice has to be issued and the customer is a trader or professional) and to the volume of goods and services purchased (€250,000), with the exception of agriculture, livestock and forestry activities, which have their own quantitative limit by volume of revenues (€250,000).

## 4. Wealth tax

Royal Decree-law 13/2011 temporarily reinstated wealth tax for fiscal years 2011 and 2012 (after it had been eliminated in practice since 2008, through a 100% reduction). This regime has been extended in successive years.

The LPGE has now introduced two measures in relation to wealth tax:

- The tax has been given permanent status and no longer has to be reinstated each year. To do this, it has repealed the second paragraph of the one and only article of Royal Decree-Law 13/2011, of September 16, 2011.
- The rate applicable to the highest tax bracket has been raised. In other words, for individuals whose wealth exceeds €10,695,996.06 a rise from 2.5% to 3.5% has been approved.

It should not be forgotten, however, that these amendments have been added to the central government legislation and that a few autonomous communities have used their legislative powers to allow specific reductions. Therefore, the specific legislation for the autonomous community of residence must be taken into account.

# 5. Value added tax (VAT)

The following amendments have been made to the VAT Law (Law 37/1992, of December 28, 1992).

## 5.1 Tax rates

It has raised from 10% to 21% the tax rate applicable to soft drinks, juices and fizzy drinks with added sugar or sweeteners.

## 5.2 Place of supply rules for services

The scope of the effective use and enjoyment rule attracting the place of supply for certain services effectively used and enjoyed in Spain has been amended to prevent this rule being applied where the standard rules determine that their place of supply is in the Canary Islands, Ceuta or Melilla.

## 5.3 Simplified scheme and special scheme for agriculture, livestock and fisheries

As with the objective assessment method for personal income tax purposes, it has extended for 2021, to take effect indefinitely, the limits for claiming the simplified scheme (€150,000) and the special scheme for agriculture, livestock and fisheries (€250,000).

# 6. Local taxes and real estate cadaster

## 6.1 Tax on business activities (IAE)

New business classifications for the tax on economic activities have been created, with the aim of:

a) Specifically classifying utilities retailing in general (electricity and gas). The following classifications have been added, on which national, provincial and municipal tax is payable:

   - Classification 151.6, for “electricity retailing”.

- Classification 152.2, for "gas retailing".

b) Having a specific classification for large retail stores not engaging primarily in the sale of clothing or food, and giving them similar treatment to other retail stores.

This is classification 661.9, called "other mixed retail or retail in large retail stores", meaning specialized retail activities carried on at establishments with a usable area of 2,500 m² or more for the display and sale to the public of products such as those related to DIY and home equipment, home and office furniture, electronic items and electrical home appliances, motor supplies, sports equipment or others.

The type of quota is municipal.

c) Lastly, having a classification for the new activity of supplying power to electric vehicles from charging stations installed anywhere, including on public highways, at gas stations, public and private garages or at any other site. This is classification 664.2, "charging stations for electric vehicles", on which central government and municipal tax is payable.

### 6.2 Real Estate Cadaster

Transitional provision two of the Revised Real Estate Cadaster Law (Legislative Royal Decree 1/2004, of March 5, 2004), in relation to the cadastral valuation of rural real estate assets.

It states that the expected value rates mentioned in the provision, relating to the various crops and development rights, are provided for their use, on the central government, provincial and municipal tables approved by the decision of the General Manager of the Cadaster.

## 7. Excise and special taxes

Taking effect from the entry into force of the LPGE and for an indefinite term, the following amendments have been added to the Excise and Other Special Taxes Law (Law 38/1992, of December 28, 1992).

### Electricity tax

New exemptions have been added for:

a) Electricity supplied on vessels that has been generated on board. This exemption takes effect from January 1, 2015.

b) Supplied electricity paid for by way of compensation for surplus energy at time-of-use rates, under the self-consumption system with compensation for surplus energy, as set out in Royal Decree 244/2019, of April 5, 2019, on the administrative, technical and economic conditions for the self-consumption of electricity.

Moreover, it has added a new case eligible for a 100% reduction to the taxable amount for the amount of electricity supplied or consumed in railroad transport.

Lastly, it has extended to the electricity used in railroad transport the minimum gross tax payable amounting to €0.5 per megawatt hour (MWh) currently allowed for electricity used for industrial purposes or on boats moored at a port, which do not qualify as private recreational craft.

# 8. Other issues

## 8.1 Transfer and stamp tax

The stamp tax scale for administrative documents related to titles of nobility has been revised by 2%.

## 8.2 Tax on insurance premiums

The tax rate on insurance premiums has been raised from 6% to 8%.

## 8.3 Public fees

a) Flat-rate fees have been raised by 1%, except for any that were created or revised specifically by rules approved on or after January 1, 2019.

   The fees chargeable by the traffic authorities will be rounded up or down to the nearest cent if their 1% revision produces a sum with three decimals.

b) No changes have been made to the gambling fees set out in Royal Decree-Law 16/1977, of February 25, 1977, on the criminal, administrative and tax elements of games of luck or chance and gambling.

c) Or, as a general rule, to quantification of the parameters needed to determine the amount of the fee for reserving the public radio spectrum.

d) It has also kept the same basic amounts of port fees.

e) Moreover, it has specified the applicable reductions and correction multipliers at public interest ports for occupancy, vessel, passenger and freight fees, as well as the correction multipliers applicable to the flat-rate fee for receiving waste generated by vessels, under the Revised State Ports and Merchant Shipping Law, approved by Legislative Royal Decree 2/2011, of September 5, 2011.

f) The fee on fiscal-policy supervision, analysis, advice and monitoring, governed by letter g) of additional provision two of Organic Law 6/2013, of November 14, 2013 on the creation of the independent authority for fiscal responsibility, will be charged at 0.00144%.

g) Lastly, in relation to railroad fees, it has revised the fees for (i) railroad company licenses, (ii) granting safety authorization and safety certificates, (iii) official approval of facilities, (iv) certification of entities and rolling stock; (v) granting of certificates and authorizations for entry into service and (vi) railroad safety services provided and activities performed.

## 8.4 Not-for-profit entities and tax incentives for patronage

### 8.4.1 Events of exceptional public interest

The following events of exceptional public interest have been determined, for the purposes of Law 49/2002, of December 23, 2002, on the tax treatment of not-for-profit entities and tax incentives for patronage (the following detail includes the corresponding events and lengths of the corresponding support programs):

1) "*Bicentenarios de la independencia de las Repúblicas Iberoamericanas*" ("Bicentenaries of the Independence of Latin American Republics") (from entry into force of the LPGE until December 31, 2023).

2) "*150 Aniversario de creación de la Academia de España en Roma*" ("150th Anniversary of the creation of the Spanish Academy in Rome") (from entry into force of the LPGE until December 31, 2023).

3) Commemoration of the 125th anniversary of the Press Association in Madrid (from entry into force of the LPGE until December 31, 2021).

4) Holding of the "MADBLUE" Summit (from entry into force of the LPGE until December 31, 2023).

5) "*30 Aniversario de la Escuela Superior de Música Reina Sofía*" ("30th anniversary of the Reina Sofia College of Music") (from entry into force of the LPGE until August 31, 2023).

6) "*Año Santo Guadalupense 2021*" ("Holy Year of Guadalupe 2021") (from entry into force of the LPGE until December 31, 2022).

7) "Andalucía Valderrama Masters" (from January 1, 2022 until December 31, 2024).

8) "Davis Cup Madrid Finals" (from entry into force of the LPGE until December 31, 2021).

9) "MADRID HORSE WEEK 21/23" (from entry into force of the LPGE until December 31, 2023).

10) "*Centenario del Rugby en España y de la Unió Esportiva Santboiana*" ("Centenary of Rugby in Spain and of team Unió Esportiva Santboiana")(from entry into force of the LPGE until December 31, 2023).

11) "Solheim Cup 2023" (from entry into force of the LPGE until December 31, 2023).

12) "*IX Centenario de la Reconquista de Sigüenza*" ("9th Centenary of the Reconquest of Sigüenza) (from July 1, 2021 until June 30, 2024).

13) "Barcelona Mobile World Capital" (from entry into force of the LPGE until December 31, 2023).

14) "Valencia, Capital Mundial del Diseño 2022 / Valencia World Design Capital 2022" (from entry into force of the LPGE until August 31, 2023).

15) "*Cincuenta aniversario de la Universidad Nacional de Educación a Distancia (UNED)*" (50th anniversary of Universidad Nacional de Educación a Distancia (UNED)) (from entry into force of the LPGE until December 31, 2022).

16) "*Centenario de Revista Occidente*" ("Centenary of journal Revista Occidente") (from entry into force of the LPGE until December 31, 2023).

17) "*50 aniversario del fallecimiento de Clara Campoamor. 90 años del inicio de una democracia plena*" ("50th anniversary of the death of Clara Campoamor. 90 years since the start of a complete democracy") (from March 1, 2021 until February 29, 2024).

18) "*V Centenario del fallecimiento de Elio Antonio de Nebrija*" ("5th Centenary of the death of Elio Antonio de Nebrija") (from entry into force of the LPGE until December 30, 2023).

19) "*Nuevas Metas II*" ("New Goals II") (from July 1, 2021 until June 30, 2024).

20) "*250 aniversario del Museo Nacional de Ciencias Naturales (CSIC-MNCN)*" ("250th anniversary of Spain's national natural science museum Museo Nacional de Ciencias Naturales") (from entry into force of the LPGE until December 31, 2021).

21) "*Andalucía Región Europea del Deporte 2021*" ("Andalucía European Region of Sport 2021) (from entry into force of the LPGE until December 31, 2023).

22) "*75 aniversario de la Ópera de Oviedo*" ("75th anniversary of the Oviedo Opera") (from July 1, 2021 until December 31, 2023).

23) "*Hábitos Saludables para el control del riesgo Cardiovascular "Aprender a cuidarnos"*" ("Healthy Habits to reduce heart risk. Learning to look after ourselves") (from entry into force of the LPGE until December 31, 2023).

24) Badminton World Tour (from June 1, 2021 until December 31, 2023).

25) "*Centenario de la Batalla de Covadonga-Cuadonga*" ("Centenary of the Battle of Covadonga/Cuadonga") (from entry into force of the LPGE until December 31, 2023).

26) "*VII Centenario de la Catedral de Palencia 2021-2022*" ("7th Centenary of Palencia Cathedral") (from entry into force of the LPGE until December 31, 2023).

27) "*FITUR especial: recuperación turismo*" ("Special Spanish Tourism Fair (FITUR) program: recovery of tourism" (from entry into force of the LPGE until December 31, 2023).

28) "*Programa Deporte Inclusivo II*" ("2nd Inclusive Sport Program") (from July 1, 2021 until June 30, 2024).

29) "*Valencia 2020-2021, Año Jubilar. Camino del Santo Cáliz*" ("Valencia 2020-2021, Jubilee Year. Route of the Holy Grail") (from entry into force of the LPGE until December 31, 2022).

30) "*Enfermedades Neurodegenerativas. Año Internacional de la Investigación e Innovación. Período 2021-2022*" ("Neurodegenerative Diseases. International Year of

Research and Innovation 2021-2020"). (from entry into force of the LPGE until December 31, 2022).

31) "*50 aniversario del Hospital Sant Joan de Deu*" ("50th anniversary of Hospital Sant Joan de Deu") (from entry into force of the LPGE until December 31, 2023).

Additionally:

1) The event "*España País Invitado de Honor en la Feria del Libro de Fráncfort en 2021*" ("Spain as Guest of Honor at Frankfurt Book Fair in 2021") (approved in Royal Decree-Law 17/2020, of May 5, 2020, approving measures of support to the culture industry and of a tax nature to contend with the economic and social impact of COVID-19) has changed 2021 to 2022 in its name to reflect that its term has been extended until December 31, 2022 (previously until November 30, 2021).

2) The term of event "*Alicante 2021. Salida Vuelta al Mundo de Vela*" ("Leg 1 Start Alicante. Ocean Race"), approved by the same Royal Decree Law 17/2020, has been set to run between January 1, 2021 and December 31, 2023.

3) The term of event "*Plan Decenio Milliarium Montserrat 1025-2025*" ("Plan for the Ten-Year Milestone in the History of the Monastery of Montserrat 1025-2025"), approved by Law 3/2017, of June 27, 2017, has been set to run between February 1, 2019 and January 31, 2022.

8.4.2 Priority patronage activities

Following suit from previous years, the law contains a list of priority patronage activities and programs for the purposes of applying the tax incentives allowed for them in Law 49/2002, of December 23, 2002, on the tax regime for not-for-profit entities and tax incentives for patronage.

For these activities, as in previous years, the tax credit rates and limits set out in Law 49/2002 will be raised by five percentage points. The €50,000 limit per year and contributor for a few of the activities indicated has not been changed.

## 8.5 Public Multi-Purpose Income Indicator

The Public Multi-Purpose Income Indicator referred to in the personal income tax legislation, for example, (in relation to the exemption for financial assistance granted by public institutions to people with disabilities or to people aged over 65 to fund time spent at residential homes or day centers) is set, for 2021, at the following amounts:

- Daily public multi-purpose income indicator €18.83
- Monthly public multi-purpose income indicator: €564.90
- Annual public multi-purpose income indicator: €6,778.80

It also specifies that where any reference to the minimum wage has been replaced by a reference to the Public Multi-Purpose Income Indicator (as occurs in the exemption mentioned above), the annual indicator is €7,908.60, provided that the reference to the minimum wage involves the annual figure (unless nonmonthly salary payments are expressly excluded; in this case, the amount is €6,778.80).

## 8.6 Legal interest rate for money and late-payment interest

Until December 31, 2021, the legal interest rate for money has been set at 3%, and the late-payment interest rate, at 3.75%.

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