

Are you an entrepreneur? These are the personal income tax (IRPF) central government and autonomous community incentives available

The personal income tax legislation allows credits to be applied against the tax payable by individuals who make investments either directly or through a legal entity (e.g. through the formation of companies, capital increases, etc.).

When a personal income tax credit has not been applied despite the taxpayer being entitled to it, due to an error, the taxpayer can apply for correction of the self-assessment initially filed and recover the corresponding amount of personal income tax payable (giving rise to an increased refund or reduction in tax payable), provided that the application is submitted within 4 years of the return being filed.

The following table shows the main personal income tax credits available in relation to investments made by individuals, with a distinction being drawn between (i) general tax credits under central government legislation, and (ii) autonomous community tax credits.

Spain

Credit	Amount	Limit	Requirements	Legislation applicable
Tax credit for investment in new or recently formed companies.	30% of amounts paid in the fiscal year for the subscription of shares or ownership interests in new or recently formed companies.	<p>The maximum tax credit base is €60,000 per annum, being made up of the acquisition value of the shares or ownership interests subscribed.</p> <p>Amounts paid for the subscription of shares or ownership interests cannot be included in the tax credit base when the taxpayer applies in respect of such amounts a tax credit allowed by the autonomous community government, exercising its powers.</p>	<p>Requirements to be met by the entity in which the investment is made (Legislation applicable: Art. 68.1.2º of the Personal Income Tax Law)</p> <p>The entity in which shares or an ownership interest are acquired must meet the following requirements:</p> <p>a. In terms of form, it must be a corporation, a limited liability company, a worker-owned corporation, or a worker-owned limited liability company, in the terms envisaged in the revised Capital Companies Law, approved by Legislative Royal Decree 1/2010 of July 2, 2010, and worker-owned Companies Law 4/1997 of March 24, 1997, and it must not be admitted to trading on any organized market.</p> <p>This requirement must be met throughout all the years for which the shares or ownership interest are held.</p>	<p>Articles 68.1 and additional provision thirty-eight.2 of the Personal Income Tax Law.</p> <p>Link</p>

Credit	Amount	Limit	Requirements	Legislation applicable
		<p>Furthermore, when the taxpayer transfers shares or ownership interests and elects to apply the exemption for reinvestment regulated in article 38.2 of the Personal Income Tax Law, the tax credit base corresponding to the new shares or ownership interests subscribed is made up of only the part of the reinvestment which exceeds the total amount obtained from such transfer. In no circumstances can a credit in respect of new shares or ownership interests be applied if the amounts invested do not exceed this amount.</p> <p>To be able to apply this tax credit, the verified amount of the taxpayer's assets at the end of the tax period must exceed their verified value at the beginning of the period, by at least the amount of the investments made (article 70 of the Personal Income Tax Law).</p>	<p>b. It must engage in an economic activity which has been allocated the human and material resources required for its pursuit.</p> <p>Specifically, the entity must not have engaged in the management of movable or real estate assets, as referred to in article 4.8.Two.a) of Wealth Tax Law 19/1991 of June 6, 1991, in any tax period ended prior to the transfer of the ownership interest.</p> <p>c. The entity's equity cannot exceed €400,000 at the start of the tax period in which the taxpayer acquires the shares or ownership interest.</p> <p>In the case of entities forming part of a group of companies within the meaning of article 42 of the Commercial Code — regardless of residence and of whether they are under the obligation to prepare consolidated financial statements — the equity figure considered is that corresponding to all the entities in the group.</p> <p>Conditions to be met by the shares or ownership interest in which the investment is made (Legislation applicable: Art. 68.1.3° of the Personal Income Tax Law)</p> <p>The following conditions must also be met:</p> <p>a. The shares or ownership interest in the entity must be acquired by the taxpayer either at the time of its incorporation or through a capital increase taking place within three years of its incorporation, and must remain in the taxpayer's assets for more than 3 and less than 12 years.</p>	

Credit	Amount	Limit	Requirements	Legislation applicable
			<p>b. The taxpayer's direct or indirect ownership interest, together with that held in the same entity by his/her spouse or any individual related to him/her in a direct or collateral line of kinship, by blood or affinity, up to and including the second degree, cannot, on any day in the calendar years over which the ownership interest is held, exceed 40% of the entity's share capital or of its voting rights.</p> <p>c. The shares or ownership interest must not be in an entity through which an activity which is the same as that performed previously under different ownership is pursued.</p> <p>Formal requirements: (Legislation applicable: Art. 68.1.5° of the Personal Income Tax Law)</p> <p>Compliance with these requirements must be evidenced by a certificate issued by the entity in the tax period in which the acquisition took place.</p> <p>For this, the entity complying with the requirements must file an information return regarding such compliance and indicating the identities of its shareholders or investors, ownership percentages, and the period for which ownership interests have been held.</p>	

Credit	Amount	Limit	Requirements	Legislation applicable
<p>Credits to incentivize and stimulate business investment in economic activities under the direct assessment method.</p>	<p>5% generally</p> <p>2.5% in the following cases:</p> <p>a.If in the year in which the reinvested income was obtained, the taxpayer applied the 20% reduction of reported net income, as envisaged in article 32.3 of the Personal Income Tax Law for taxpayers who are initiating an economic activity and calculate their net income under the direct assessment method.</p> <p>b.If the reinvested income resulted in entitlement to a tax credit for income obtained in Ceuta or Melilla, pursuant to article 68.4 of the Personal Income Tax Law, in the year in which it was obtained.</p>	<p>The amount of the tax credit may not exceed the sum of the central government and autonomous community amounts of gross tax payable for the tax period in which the net income from economic activities was obtained.</p>	<p>1. Taxpayers entitled to apply the credit</p> <p>This credit can be applied by personal income taxpayers who engage in economic activities and meet the requirements to be classed as a small business, in the year in which the invested income is obtained.</p> <p>2. Eligible items and tax credit base</p> <p>Entitlement to the tax credit is generated by net income from economic activities corresponding to 2018 or 2019 which is invested in 2019 in new property, plant and equipment or real estate assets used in economic activities pursued by the taxpayer.</p> <p>The understanding for these purposes is that net income from economic activities for the tax period is invested when an amount equal to the portion of the general component of net taxable income for the tax period corresponding to it is invested; the same amount cannot under any circumstances be deemed invested in more than one asset.</p> <p>The tax credit base is the invested amount, i.e. the part of the general component of net taxable income for the tax period which corresponds to the net income from economic activities for the tax period which is invested in new property, plant and equipment or real estate assets.</p> <p>3. Investment period</p> <p>The investment in assets used in economic activities must be made within the tax period in which the reinvested income is obtained, or in the following tax period.</p>	<p>Articles 68.2 and 69.2 of the Personal Income Tax Law.</p> <p>Link</p>
<p>Credit for investment in new property, plant and equipment or real estate assets used in economic activities.</p>				

Credit	Amount	Limit	Requirements	Legislation applicable
			<p>The right to apply the credit is generated in the tax period in which the investment is made, although it is conditional on the asset being used in the economic activity within the investment period.</p> <p>The investment is deemed made on the date on which the assets are made available, even in the case of assets acquired under finance lease agreements, as referred to in section 1 of additional provision seven of Credit Institutions (Discipline and Control) Law 26/1988 of July 29, 1988. In this case, however, the tax credit is dependent, as a condition subsequent, on the exercising of the purchase option.</p> <p>The making available of the assets is understood to refer to the availability of the item forming the subject matter of the contract, i.e. the delivery of the item constituting the mode of acquisition of ownership by the acquiror.</p> <p>The credit is applicable to gross tax payable for the tax period in which the investment is made.</p> <p>4. Period for which the items invested in must remain in the taxpayer's assets</p> <p>The items invested in must remain in operation as part of the entity's assets — except in cases of substantiated loss — for a period of 5 years or for their useful lives where this is shorter.</p> <p>The tax credit is not forfeited, however, if the assets in which the investment was made are transferred before the end of the period mentioned in the preceding paragraph, provided the amount obtained or the net book value, if lower, is invested as required for this tax credit to be applicable.</p>	

Credit	Amount	Limit	Requirements	Legislation applicable
			5. Incompatibilities This credit is incompatible, in respect of the same assets, with the following: the application of accelerated depreciation rules, the deduction for investment regulated in article 94 of Law 20/1991 of June 7, 1991 amending tax aspects of the Canary Islands Economic and Tax Regime, and the Canary Islands Investment Reserve regulated in article 27 of Law 19/1994 of July 6, 1994 amending the Canary Islands Economic and Tax Regime.	
Credits to incentivize and stimulate business investment in economic activities under the objective assessment method.	Incentives and measures to stimulate business investment established or which come to be established under corporate income tax legislation are only applicable to taxpayers who engage in economic activities and calculate their net income by the objective assessment method where stipulated in the pertinent regulations, with regard being had to the characteristics of such method and the formal obligations it entails.	No such incentives were established through regulations during 2019.		Articles 68.2.c) of the Personal Income Tax Law. Link

Autonomous Community of Andalucía

Credit	Amount	Limit	Requirements	Legislation applicable
For investment in the acquisition of shares and ownership interests as a result of resolutions to incorporate or increase the capital of trading companies.	20% of the amounts invested during the year in the acquisition of shares or ownership interests through the incorporation of, or capital increases at, trading companies (worker-owned corporations, worker-owned limited liability companies or cooperatives).	€4,000	<p>a. The ownership interest acquired by the taxpayer, together with that held in the same entity by his/her spouse or any individual related to him/her in a direct or collateral line of kinship, by blood or affinity, up to and including the third degree, must not result in their holding, on any day in the calendar year, more than 40% of the entity's share capital or voting rights.</p> <p>b. The ownership interest must be held for a minimum of 3 years.</p> <p>c. The entity in which shares or an ownership interest are acquired must meet the following requirements:</p> <ol style="list-style-type: none"> 1) Its registered office and domicile for tax purposes must be in Andalucía. 2) It must engage in an economic activity. 3) If the investment is made in relation to the entity's incorporation, the entity, as from the first fiscal year, must have at least one worker hired under a full-time employment contract and registered under the corresponding social security regime, and the conditions of such contract must be maintained for at least 24 months. 4) If the investment is made in relation to a capital increase at the entity, the entity must have been formed within the 3 years prior to the capital increase, and its average headcount for the 2 fiscal years following the year of the increase must be increased in relation to the average headcount for the preceding 12 months by at least one individual meeting the requirements set out under point 3) above; and such increase must be maintained for at least a further 24 months. 	<p>Art. 15 of the revised Autonomous Community of Andalucía legal provisions on devolved taxes, approved by Legislative Decree 1/2018 of June 19, 2018.</p> <p>Link</p>

Autonomous Community of Aragón

Credit	Amount	Limit	Requirements	Legislation applicable
For investment in the acquisition of shares or ownership interests in new or recently formed entities.	<p>20% of amounts invested during the fiscal year in the acquisition of shares or ownership interests as a result of (i) resolutions to incorporate companies or (ii) capital increases at new or recently formed trading companies (article 68.1 of the Personal Income Tax Law), subject to the following restrictions:</p> <p>a. This credit can only be applied to the amount invested which exceeds the maximum base for the general credit for investment in the acquisition of shares or ownership interests in new or recently formed entities, as established in the aforementioned article 68.1 of the Personal Income Tax Law.</p> <p>b. If the taxpayer transfers shares or ownership interests and elects to apply the exemption envisaged in article 38.2 of the Personal Income Tax Law, the tax credit base corresponding to the new shares or ownership interests subscribed must be made up only of the part of</p>	€4,000	<p>The application of the credit is conditional upon compliance with the same requirements and conditions as are established in article 68.1 of the Personal Income Tax Law in respect of the general credit for investment in the acquisition of shares or ownership interests in new or recently formed entities, and, in addition, the following requirements:</p> <p>a. The registered office and domicile for tax purposes of the corporation, limited liability company, worker-owned corporation or worker-owned limited liability company in which the investment is to be made must be in Aragón.</p> <p>b. The taxpayer may form part of the board of directors of the company in which the investment has been made, but in no case may he/she perform executive or senior management functions or hold an employment relationship with the investee.</p>	<p>Article 110-9 of the revised Autonomous Community of Aragón legal provisions on devolved taxes, approved by Legislative Decree 1/2005 of September 26, 2005.</p> <p>Link</p>

Credit	Amount	Limit	Requirements	Legislation applicable
	the reinvestment made which exceeds the total amount obtained from such transfer. In no circumstances may a credit be applied in respect of new shares or ownership interests if the invested sums do not exceed this amount.			

Autonomous Community of the Principality of Asturias

Credit	Amount	Limit	Requirements	Legislation applicable
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None

Canary Islands Autonomous Community

Credit	Amount	Limit	Requirements	Legislation applicable
For investment in the acquisition of shares or ownership interests in new or recently formed entities.	30% of amounts invested during the fiscal year in the acquisition of shares or ownership interests as a result of resolutions to incorporate or increase the share capital of entities classed as corporations, limited liability companies, worker-owned corporations or worker-owned limited liability companies	<p>Limit on individual tax return: €6,000</p> <p>Limit on joint tax return: €6,000 for each taxpayer in the family unit by which the investment has been made.</p> <p>This tax credit is applied in the fiscal year in which the investment is made and in the following two years, subject to a limit of €6,000 per annum.</p>	<p>a. The ownership interest held by the taxpayer, together with that held by his/her spouse or any individual related to him/her in a direct or collateral line of kinship, by blood or affinity, up to and including the third degree, cannot exceed 40% of the share capital of the company in which the investment is made or of its voting rights.</p> <p>b. The entity in which the investment is to be made must meet the following requirements:</p> <p>1) In terms of form, it must be a corporation, a limited liability company, a worker-owned corporation or a worker-owned limited liability company.</p>	<p>Article 7 of the revised Balearic Islands Autonomous Community Legal Provisions on Taxes Devolved by the State, approved by Legislative Decree 1/2014 of June 6, 2014.</p> <p>Link</p>

Credit	Amount	Limit	Requirements	Legislation applicable
	<p>50% of amounts invested in companies in which research centers or universities have ownership interests, up to a maximum of €12,000 per fiscal year and per taxpayer.</p>		<p>2) Its registered office and domicile for tax purposes must be in the Balearic Islands.</p> <p>3) It must engage in an economic activity but cannot have as its main activity the management of movable property or real estate assets, pursuant to article 4.8.2.a) of Wealth Tax Law 19/1991 of June 6, 1991.</p> <p>4) It must employ at least one individual domiciled for tax purposes in the Balearic Islands who is hired under a full-time employment contract and registered under the general social security regime, who is neither a shareholder nor investor in the company.</p> <p>5) If the investment has been made through a capital increase, the company must have been formed within the two years prior to such increase, unless it is an innovative research and development business which, pursuant to Order ECC/1087/2015 of June 5, 2015 regulating the small and medium-sized innovative business stamp and creating and regulating the Register of Small and Medium-Sized Innovative Businesses, holds a currently valid stamp and is entered on that register.</p> <p>6) Jobs must be retained. This requirement is deemed met where the total average headcount is retained, in terms of individuals per year, as envisaged in the employment legislation, calculated in the manner stipulated in article 102 of Corporate Income Tax Law 27/2014.</p> <p>7) The entity's net revenues per annum cannot exceed a limit of €2,000,000, calculated in the manner stipulated in article 101 of the Corporate Income Tax Law.</p>	

Credit	Amount	Limit	Requirements	Legislation applicable
			<p>c. The taxpayer may form part of the board of directors of the company in which the investment has been made, but in no case may he/she perform executive or senior management functions. Neither may he/she hold an employment relationship with the investee.</p> <p>d. The transactions in respect of which the credit is applicable must be formalized in a public deed which specifies the identities of the investors and the amount of the respective investment.</p> <p>e. The ownership interest acquired must remain in the taxpayer's assets for at least four years.</p> <p>f. The requirements set out under nos 2, 3, 4, 6 and 7 of point b above, the maximum ownership interest limit established in point a, and the restriction established in point c, must be complied with for at least four years, counted as from the effective date of the resolution to incorporate or increase the capital of the entity generating entitlement to the credit.</p>	

Canary Islands Autonomous Community

Credit	Amount	Limit	Requirements	Legislation applicable
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None

Autonomous Community of Cantabria

Credit	Amount	Limit	Requirements	Legislation applicable
For investment in the acquisition of shares or ownership interests in new or recently formed entities.	15% of amounts invested during the fiscal year in the acquisition of shares or ownership interests as a result of resolutions to incorporate or increase the capital of the trading companies referred to later.	€1,000 , in both the individual and joint systems of taxation.	<p>The following requirements and conditions must be met for the credit to be applicable:</p> <ul style="list-style-type: none"> a. The ownership interest acquired by the taxpayer, together with that held in the same entity by his/her spouse or any individual related to him/her in a direct or collateral line of kinship, by blood or affinity, up to and including the third degree, must not result in their holding, on any day in the calendar year, more than 40% of the entity's total share capital or voting rights. b. The acquired ownership interest must remain in the taxpayer's assets for at least three years. c. The entity in which shares or an ownership interest are acquired must meet the following requirements: <ul style="list-style-type: none"> 1) In terms of form, it must be a corporation, a limited liability company, a worker-owned corporation or a worker-owned limited liability company. 2) It must be classed as an SME, as defined in the European Commission's Recommendation of May 6, 2003. 3) Its registered office and domicile for tax purposes must be in the Autonomous Community of Cantabria. 4) It must engage in an economic activity. <p>In this respect, it may not have as its main activity the management of movable property or real estate assets, pursuant to article 4. Eight. Two. a) of State Wealth Tax Law 19/1991 of June 6, 1991.</p> 	<p>Article 2.6 of the revised Law on Tax Measures in relation to taxes devolved by the State, approved by Legislative Decree 62/2008 of June 19, 2008.</p> <p>Link</p>

Credit	Amount	Limit	Requirements	Legislation applicable
			<p>5) If the investment is made in relation to the entity's incorporation, the entity, as from the first fiscal year, must have at least one worker hired under a full-time contract and registered for social security purposes who is resident in the Autonomous Community of Cantabria.</p> <p>6) If the investment is made in relation to a capital increase:</p> <ul style="list-style-type: none"> ▪ The entity must have been formed within the three years preceding the capital increase and ▪ Its average headcount for the two fiscal years following the year of the increase must be increased in relation to the average headcount for the preceding 12 months by at least one individual hired on a full-time basis, registered for social security purposes and resident in the Autonomous Community of Cantabria. ▪ This increase must be maintained for at least a further 24 months. <p>d. The taxpayer may form part of the board of directors of the company in which the investment has been made, but in no case may he/she perform executive or senior management functions. Neither may he/she hold an employment relationship with the investee entity.</p> <p>e. The transactions in respect of which the credit is applicable must be formalized in a public deed, which must specify the identities of the investors and the amount of the respective investment.</p>	

Credit	Amount	Limit	Requirements	Legislation applicable
			f. The requirements set out under points a and d and in numbers 3, 4 and 5 of point c above must continue to be met for at least three years as from the effective date of the capital increase or incorporation resolution from which entitlement to the credit derives.	

Autonomous Community of Castilla-La Mancha

Credit	Amount	Limit	Requirements	Legislation applicable
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None

Autonomous Community of Castilla y León

Credit	Amount	Limit	Requirements	Legislation applicable
Incentives to foster entrepreneurship.	20% of amounts invested during the fiscal year in the acquisition of shares or ownership interests as a result of resolutions to incorporate or increase the capital of the trading companies referred to later.	€10,000, in both the individual and joint systems of taxation.	<p>The following requirements and conditions must be met for the credit to be applicable:</p> <p>a. Purpose of the investment: the acquisition of shares or ownership interests as a result of resolutions to incorporate or increase the capital of the following companies:</p> <ul style="list-style-type: none"> ▪ Corporations, limited liability companies or worker-owned companies, where the company allocates the financing received to investment projects executed in Castilla y León. ▪ Companies engaging, as their sole corporate purpose, in the contribution of capital to corporations, limited liability companies or worker- 	<p>Article 8 of the revised Autonomous Community of Castilla y León legal provisions on own and devolved taxes, approved by Legislative Decree 1/2013 of September 12, 2013.</p> <p>Link</p>

Credit	Amount	Limit	Requirements	Legislation applicable
			<p>owned companies whose registered offices and domiciles for tax purposes are in Castilla y León, subject to the following requirements being met:</p> <ol style="list-style-type: none"> 1) The company in which shares or an ownership interest is acquired must use the financing received within six months to make a contribution of capital to a corporation, limited liability company or worker-owned company whose registered office and domicile for tax purposes are in Castilla y León. For these purposes, the minimum threshold of 0.5% and maximum threshold of 45% of the company's capital, which are required to apply the credit, are calculated by reference to the overall contribution of capital. 2) The corporation, limited liability company or worker-owned company in which shares or an ownership interest is acquired must meet the job creation requirements set out below and may not reduce its work force in Castilla y León. <p>b. Location of registered office and domicile for tax purposes: the corporations, limited liability companies or worker-owned companies concerned must have their registered offices and domiciles for tax purposes in the Autonomous Community of Castilla y León.</p> <p>c. Percentage of capital acquired: entitlement to apply this credit is gained only through the acquisition of shares or ownership interests equal to a minimum of 0.5% and maximum of 45% of the company's capital, which must remain in the acquiror's assets for at least three years.</p> <p>d. Job creation: the companies in which shares or an ownership interest are acquired must make the following increases in the year in which the</p>	

Credit	Amount	Limit	Requirements	Legislation applicable
			<p>investment is made or the following year, in relation to the previous year:</p> <ul style="list-style-type: none"> ▪ an increase in their aggregate headcount, in terms of the number of individuals employed per year as envisaged in the employment legislation (with this headcount being retained for at least three years), and/or ▪ an increase in the number of contracts entered into with self-employed workers who are economically dependent on the company (with these contracts being retained for at least three years), and/or ▪ an increase in the number of individuals registering as self-employed who are classed as collaborating family members of shareholders or investors (with such registrations being retained for at least three years). <p>e. Maximum investment: the maximum project investment which can be counted for the purposes of applying the credit is calculated as the sum of the following amounts:</p> <ol style="list-style-type: none"> 1) €100,000 for each increase of one individual per year in the workforce. 2) €50,000 for each contract entered into with self-employed workers who are economically dependent on the company. 3) €50,000 for each individual registering as self-employed who is classed as a collaborating family member. <p>The concept of collaborating family member is that defined in article 35 of Law 20/2007 of July 11, 2007 on the Self-Employed Work Statute, or any legislation by which it may come to be replaced.</p>	

Credit	Amount	Limit	Requirements	Legislation applicable
			f. Formal requirements: to apply this credit, it is necessary to obtain a certificate issued by the entity in which shares or an ownership interest have been acquired which confirms the fulfillment, in the tax period in which the acquisition took place, of the requirements relating to the purpose of the investment and, where appropriate, compliance with the specific conditions concerning location of the registered office and domicile for tax purposes, percentage of capital acquired, and job creation.	

Autonomous Community of Catalonia

Credit	Amount	Limit	Requirements	Legislation applicable
Investment by an angel investor through the acquisition of shares or ownership interests.	30% of amounts invested during the fiscal year in the acquisition of shares or ownership interests as a result of resolutions to incorporate or increase the capital of the trading companies indicated later.	Credit subject to a maximum limit of €6,000	a. The ownership interest obtained by the taxpayer, together with that held by his/her spouse or any persons related to him/her in a direct or collateral line of kinship, by blood or affinity, up to and including the third degree, cannot exceed 35% of the share capital of the company in which the investment is made or of its voting rights.	Measures. Link* *Noticias jurídicas (Consolidated Official State Gazette not available)
	50% of amounts invested during the fiscal year in the case of companies formed by research centers or universities, or in which such entities have ownership interests.	Limit of €12,000	b. The entity in which the investment is to be made must meet the following requirements: 1) In terms of form, it must be a corporation, a limited liability company, a worker-owned corporation or a worker-owned limited liability company. 2) Its registered office and domicile for tax purposes must be in Catalonia. 3) It must engage in an economic activity.	

Credit	Amount	Limit	Requirements	Legislation applicable
			<p>In this respect, it may not have as its main activity the management of movable property or real estate assets, pursuant to article 4. Eight. Two. a) of State Wealth Tax Law 19/1991 of June 6, 1991.</p> <p>4) It must have at least one worker hired under a full-time employment contract and registered under the general social security regime.</p> <p>5) If the investment has been made through a capital increase, the trading company must have been formed within the three years prior to the date of such increase and must not be listed on the national securities market or the alternative stock market.</p> <p>6) Its annual gross revenues may not exceed one million euros.</p> <p>c. The taxpayer may form part of the board of directors of the company in which the investment has been made, but in no case may he/she perform executive or senior management functions. Neither may he/she hold an employment relationship with the investee entity.</p> <p>d. The transactions in respect of which the credit is applicable must be formalized in a public deed, which must specify the identities of the investors and the amount of the respective investment.</p> <p>e. The acquired ownership interest must remain in the taxpayer's assets for at least three years.</p> <p>The requirements set out under nos 2, 3 and 4 of point b above, and the maximum ownership interest limit of 35% established in point a, must be complied with for at least three years as from the effective date of the capital increase or incorporation resolution from which entitlement to the credit derives.</p>	

Autonomous Community of Extremadura

Credit	Amount	Limit	Requirements	Legislation applicable
For investment in the acquisition of shares and ownership interests as a result of resolutions to incorporate or increase the capital of companies.	20% of amounts invested during the fiscal year in the acquisition of shares or ownership interests as a result of resolutions to form companies or increase the capital of entities classed as corporations, limited liability companies, worker-owned corporations, worker-owned limited liability companies or cooperatives.	€4,000	<p>a. The ownership interest acquired by the taxpayer, together with that held in the same entity by his/her spouse or any individual related to him/her in a direct or collateral line of kinship, by blood or affinity, up to and including the third degree, must not result in their holding, on any day in the calendar year, more than 40% of the entity's total share capital or voting rights.</p> <p>b. The ownership interest acquired must remain in the taxpayer's assets for a minimum of 3 years, as from the date of incorporation or capital increase, and the taxpayer may not perform executive or senior management functions at the entity.</p> <p>c. The entity acquiring the shares or ownership interest must meet the following requirements:</p> <ol style="list-style-type: none"> 1) Its registered office and domicile for tax purposes must be in the Autonomous Community of Extremadura. 2) It must engage in an economic activity. For these purposes, it is not regarded as engaging in an economic activity where it has as its main activity the management of movable property or real estate assets, pursuant to article 4.Eight.Two.a) of Wealth Tax Law 19/1991, of June 6, 1991. 3) If the investment is made in relation to the entity's incorporation, the entity, as from the first fiscal year, must have at least one worker hired under a full-time employment contract, or two workers hired under part-time employment contracts, provided that the total number of hours in the case of 	<p>article 11 of the revised Autonomous Community of Extremadura legal provisions on taxes devolved by the State, approved by Legislative Decree 1/2018 of April 10, 2018.</p> <p>Link</p>

Credit	Amount	Limit	Requirements	Legislation applicable
			<p>part-time contracts is equal to or greater than that established for a worker with a full-time employment contract. The workers must in all cases be registered under the corresponding social security regime, and the conditions of the contract must be maintained for at least 24 months.</p> <p>4) If the investment is made in relation to a capital increase at the entity, the entity must have been formed within the three years prior to the capital increase, and its average headcount for the two fiscal years following the year of the increase must be increased in relation to the average headcount for the preceding 12 months by at least one individual meeting the requirements set out under paragraph 3) above; and such increase must be maintained for at least a further 24 months.</p> <p>The aggregate average headcount at the entity and the extent to which it has been increased are calculated by reference to the number of individuals employed, as envisaged in employment legislation, and having regard to the proportion that the working hours in their contracts bear to full-time working hours.</p> <p>The transactions in respect of which the credit is applicable must be formalized in a public deed, which must specify the identities of the investors and the amounts of their respective investments.</p>	

Autonomous Community of Galicia

Credit	Amount	Limit	Requirements	Legislation applicable
For investment in the acquisition of shares or ownership interests in new or recently formed entities.	<p>30% of amounts invested during the fiscal year in the acquisition of shares or ownership interests as a result of resolutions to incorporate or increase the share capital of corporations, limited liability companies, worker-owned companies and cooperatives.</p>	€6,000	<p>a. The ownership interest held by the taxpayer, together with that held by his/her spouse or any individual related to him/her in a direct or collateral line of kinship, by blood or affinity, up to and including the third degree, cannot, at any time and for the three years following the incorporation or capital increase, be above 40% nor below 1% of the share capital of the company in which the investment is made, or of its voting rights.</p> <p>b. The entity in which the investment is made must meet the following requirements:</p> <ol style="list-style-type: none"> 1) Its registered office and domicile for tax purposes must be in Galicia, and must remain there throughout the three years following its incorporation or the capital increase. 2) It must engage in an economic activity throughout the three years following its incorporation or the capital increase. In this respect, it may not have as its main activity the management of movable property or real estate assets, pursuant to article 4.8. Two a) of Wealth Tax Law 19/1991 of June 6, 1991. 3) It must have at least one worker hired under a full-time employment contract and registered under the general social security regime who is habitually resident in Galicia, with these requirements being met throughout the three years following the incorporation or capital increase. 4) If the investment has been made through a capital increase, the trading company 	<p>Article 5. Nine of the revised Autonomous Community of Galicia legal provisions on taxes devolved by the State, approved by Legislative Decree 1/2011 of July 28, 2011.</p> <p>Link</p>
	<p>The credit can be increased by a further 15% when, in addition to meeting the requirements for the credit generally, any of the following circumstances is applicable:</p> <p>a. The entity is a corporation, limited liability company, worker-owned company or cooperative which can demonstrate that it is classed as a small or medium-sized innovative business pursuant to Order ECC/1087/2015 of June 5, 2015 regulating the small and medium-sized innovative business stamp and creating and regulating the Register of Small and Medium-Sized Innovative Businesses.</p>	<p>The maximum limit to the credit, in cases in which it has been increased by 15% owing to the applicability of certain circumstances, is €9,000.</p>		

Credit	Amount	Limit	Requirements	Legislation applicable
	<p>b. The entity is a corporation, limited liability company, worker-owned company or cooperative which can demonstrate that it is the backer of a business project which has been classed as a tech-based employment initiative, pursuant to Decree 56/2007 of March 15, 2007 establishing a support program for tech-based employment initiatives (IEBT), through entry of the initiative in the Administrative Register of Tech-Based Business Initiatives.</p> <p>c. The entity is a corporation, limited liability company, worker-owned company or cooperative in which universities or research bodies have ownership interests.</p>		<p>must have been formed within the three years prior to the date of such increase; in addition, for the 24 months following the start date of the corporate income tax period in which the increase is made, its average number of workers habitually resident in Galicia must be increased by at least one, in relation to the average number of workers habitually resident in Galicia for the previous 12 months. Furthermore, this increase must be maintained for at least a further 24 months.</p> <p>The total average headcount at the entity and the extent to which it has been increased are calculated by reference to the number of individuals employed, as envisaged in the employment legislation, taking into account the proportion hired working hours bear to full-time working hours.</p> <p>c. The transactions in respect of which the credit is applicable must be formalized in a public deed, which must specify the identities of the investors and the amounts of their respective investments.</p> <p>d. The ownership interest acquired must remain in the taxpayer's assets for at least three years counted as from the date of incorporation or of the capital increase.</p>	

Credit	Amount	Limit	Requirements	Legislation applicable
For investment in the acquisition of shares or ownership interests in new or recently formed entities and the financing thereof.	<p>30% of amounts invested during the fiscal year in the acquisition of share capital as a result of resolutions to incorporate or increase the capital of corporations, limited liability companies, worker-owned companies or cooperatives.</p> <p>In respect of the same entities, the taxpayer may deduct 30% of loans made to them during the year, and of amounts guaranteed personally by the taxpayer, provided that the loan is granted or guarantee formalized in the fiscal year in which the company is incorporated or its capital is increased.</p>	Overall limit of €20,000.	<p>a. The ownership interest held by the taxpayer, together with that held by his/her spouse or any individual related to him/her in a direct or collateral line of kinship, by blood or affinity, up to and including the third degree, cannot, at any time and for the three years following the incorporation or capital increase, be above 40% nor below 1% of the share capital of the company in which the investment is made, or of its voting rights.</p> <p>In the case of a loan or guarantee, the taxpayer need not have an ownership interest in capital, but if he/she does have such an interest, it may not be greater than 40%, subject to the same time limits as are referred to above. The amount of the loan granted or guarantee formalized by the taxpayer must be greater than 1% of the company's equity.</p> <p>b. The entity in which the investment is made or to which the loan or guarantee is provided must meet the following requirements:</p>	Autonomous Community of Galicia legal provisions on taxes devolved by the State, approved by Legislative Decree 1/2011 of July 28, 2011. Link
	<p>The credit can be increased by a further 15% when, in addition to meeting the requirements for the credit generally, any of the following circumstances is applicable:</p> <p>1) The acquisition of shares or ownership interests as a result of resolutions to incorporate entities or increase their capital, when the entity is a corporation, limited liability company,</p>	The maximum limit to the tax credit in these cases is €35,000.	<p>1) Its registered office and domicile for tax purposes must be in Galicia, and must remain there throughout the three years following its incorporation or the capital increase.</p> <p>2) It must engage in an economic activity throughout the three years following its incorporation or the capital increase. In this respect, it may not have as its main activity the management of movable property or real estate assets, pursuant to article 4.8. Two.a) of Wealth Tax Law 19/1991 of June 6, 1991.</p> <p>3) It must have at least one worker hired under a full-time employment contract and registered under the general social security</p>	

Credit	Amount	Limit	Requirements	Legislation applicable
	<p>worker-owned company or cooperative which can demonstrate that it is classed as a small or medium-sized innovative business pursuant to Order ECC/1087/2015 of June 5, 2015 regulating the small and medium-sized innovative business stamp and creating and regulating the Register of Small and Medium-Sized Innovative Businesses.</p> <p>2) The acquisition of shares or ownership interests as a result of resolutions to incorporate entities or increase their capital, when the entity is a corporation, limited liability company, worker-owned company or cooperative which can demonstrate that they are the backers of a business project which has been classed as a tech-based employment initiative, pursuant to Decree 56/2007 of March 15, 2007 establishing a support program for tech-based employment initiatives (IEBT), through the entry of the initiative in</p>		<p>regime who is habitually resident in Galicia. The contract must be for a minimum term of one year, and it must be formalized within the two years following the date of incorporation or capital increase, except in the case of worker-owned companies or cooperatives.</p> <p>4) If the investment is made through a capital increase or the loan or guarantee have been formalized as part of a capital increase, the trading company is required to have been formed within the three years prior to the capital increase date. In addition, for the 24 months following the start date of the corporate income tax period in which the increase is made, its average number of workers habitually resident in Galicia must be increased by at least one, in relation to the average number of workers habitually resident in Galicia for the previous 12 months, and this increase must be maintained for a further 12 months, except in the case of worker-owned companies or cooperatives.</p> <p>The total average headcount at the entity and the extent to which it has been increased are calculated by reference to the number of individuals employed, as envisaged in the employment legislation, taking into account the proportion hired working hours bear to full-time working hours.</p> <p>c. The taxpayer may form part of the board of directors of the company in which the investment has been made, but in no case may he/she perform executive or senior management functions, a restriction that remains applicable</p>	

Credit	Amount	Limit	Requirements	Legislation applicable
	<p>the Administrative Register of Tech-Based Business Initiatives.</p> <p>3) The acquisition of shares or ownership interests as a result of resolutions to incorporate entities or increase their capital, when the entity is a corporation, limited liability company, worker-owned company or cooperative in which universities or research bodies have ownership interests.</p>		<p>for a period of ten years. Neither may he/she hold an employment relationship with the entity in which the investment is made throughout that same period, except in the case of worker-owned companies or cooperatives.</p> <p>d. The transactions in respect of which the credit is applicable must be formalized in a public deed, which must specify the identities of the taxpayers intending to apply this credit and the amount of the respective transaction.</p> <p>e. The ownership interest acquired must remain in the taxpayer's assets for at least three years, counted as from the date of incorporation or of the capital increase.</p> <p>In the case of loans, they must relate to financing transactions with a term of more than five years, repayments of the principal of the loan being subject to an annual limit of 20%. In the case of guarantees, these must cover the full term of the transaction secured, and may not be for less than five years.</p>	

Autonomous Community of Madrid

Credit	Amount	Limit	Requirements	Legislation applicable
For investment in the acquisition of shares or ownership interests in new or recently formed entities.	Generally: 30% of amounts invested during the fiscal year in the acquisition of shares or ownership interests as a result of resolutions to incorporate or increase the capital of trading companies whose form is that of a corporation or limited liability company.	The applicable tax credit limit is €6,000 per annum.	a. The ownership interest acquired by the taxpayer as a result of the investment, together with that held in the same entity by his/her spouse or any individual related to him/her in a direct or collateral line of kinship, by blood or affinity, up to and including the third degree, must not result in their holding, on any day in the calendar year, more than 40% of the entity's total share capital or voting rights.	October 21, 2010. Link
	50% of amounts invested during the fiscal year in the acquisition of shares, ownership interests and corporate contributions, as a result of resolutions to incorporate or increase the share capital of worker-owned corporations, worker-owned limited liability companies or cooperatives.	The applicable tax credit limit is €12,000.	b. The ownership interest must be held for a minimum of 3 years. c. The entity in which shares or an ownership interest are acquired must meet the following requirements: 1) Its registered office or domicile for tax purposes must be in the Community of Madrid. 2) It must engage in an economic activity. For these purposes, it is not regarded as engaging in an economic activity when it has as its main activity the management of movable property or real estate assets, pursuant to article 4.Eight.Two.a) of Wealth Tax Law 19/1991, of June 6, 1991. 3) If the investment is made in relation to the entity's incorporation, the entity, as from the first fiscal year, must have at least one worker hired under a full-time employment contract and registered under the general social security regime. 4) If the investment is made in relation to a capital increase at the entity, the entity must have been formed within the three years prior to the capital increase and its average	
	50% of amounts invested in the case of companies formed by research centers or universities or in which such entities have ownership interests	The applicable tax credit limit is €12,000.		

Credit	Amount	Limit	Requirements	Legislation applicable
			<p>headcount for the two fiscal years following the year of the increase must be increased in relation to the average headcount for the preceding 12 months by at least one individual meeting the requirements set out above; and such increase must be maintained for at least a further 24 months.</p> <p>The total average headcount at the entity and the extent to which it has been increased are calculated based on the number of individuals employed, as envisaged in the employment legislation, and taking into account the proportion hired working hours bear to full-time working hours.</p>	
Incentives to foster self-employment among young people under the age of 35.	<p>€1,000 for taxpayers under the age of 35 registering for the first time, as individuals or members of a pass-through entity, in the Census of Traders, Professionals and Withholding Agents envisaged in Royal Decree 1065/2007 of July 27, 2007 approving the General Regulations on Tax Management and Audit Procedures and Proceedings and Implementing the Common Rules on Procedures to Manage, Collect and Inspect Taxes (Official State Gazette of September 5).</p>		<p>Requirements and other conditions to be met for the credit to be applicable</p> <ul style="list-style-type: none"> a. This tax credit must be applied in the tax period in which the taxpayer is entered on the Census. b. The activity must be conducted primarily within the territory of the Autonomous Community of Madrid. c. The taxpayer must remain entered on the Census for at least one year as from the date of initial registration. <p>This requirement is not considered breached in the event of the taxpayer's death within one year of his/her registration on the Census, provided that he/she was not deregistered prior to death.</p> <p>In joint tax returns, the amount of the credit is not multiplied by the number of members in the family unit who meet the requirements to be able to apply it.</p>	<p>Article 16 of the revised Autonomous Community of Madrid legal provisions on taxes devolved by the State, approved by Legislative Decree 1/2010 of October 21, 2010.</p> <p>Link</p>

Autonomous Community of Murcia

Credit	Amount	Limit	Requirements	Legislation applicable
For investment in the acquisition of shares or ownership interests in new or recently formed entities.	20% of amounts invested during the fiscal year in the acquisition of shares or ownership interests as a result of resolutions to incorporate or increase the share capital of corporations, limited liability companies, worker-owned companies and cooperatives.	The tax credit limit applicable is €4,000	<p>Requirements and other conditions to be met for the credit to be applicable</p> <p>a. The ownership interest held by the taxpayer, together with that held by his/her spouse or any individual related to him/her in a direct or collateral line of kinship, by blood or affinity, up to and including the third degree, cannot, at any time and for the three years following the incorporation or capital increase, exceed 40% of the share capital or voting rights of the company in which the investment has been made.</p> <p>b. The entity in which the investment is made must must meet the following requirements:</p> <ol style="list-style-type: none"> 1) Its registered office and domicile for tax purposes must be in the Autonomous Community of Murcia and must remain there throughout the three years following its incorporation or the capital increase. 2) It must engage in an economic activity throughout the three years following its incorporation or the capital increase. <p>In this respect, it may not have as its main activity the management of movable property or real estate assets, pursuant to article 4.Eight. Two a) of Wealth Tax Law 19/1991 of June 6, 1991.</p> <ol style="list-style-type: none"> 3) It must have, as from the first fiscal year, at least one worker hired under a full-time employment contract and registered under the general social security regime, and 	<p>Article 1.Six of the revised Autonomous Community of Murcia legal provisions on Devolved Taxes, approved by Legislative Decree 1/2010 of November 5, 2010.</p> <p>Link</p>

Credit	Amount	Limit	Requirements	Legislation applicable
			<p>continue to meet this requirement throughout the three years following the incorporation or capital increase.</p> <p>4) If the investment has been made through a capital increase, the trading company must have been formed within the three years prior to the date of such increase. In addition, for the 24 months following the start date of the corporate income tax period in which the increase was made, its average headcount must be increased by at least two in relation to the average headcount for the previous 12 months, and this increase must be maintained for a further 24 months.</p> <p>The total average headcount at the entity and the extent to which it has been increased are calculated by reference to the number of individuals employed, as envisaged in the employment legislation, taking into account the proportion hired working hours bear to full-time working hours.</p> <p>c. The taxpayer may form part of the board of directors of the company in which the investment has been made, but in no case may he/she perform executive or senior management functions, a restriction that is applicable for a period of ten years. Neither may he/she hold an employment relationship with the entity in which the investment is made, throughout this same period.</p> <p>d. The transactions in respect of which the credit is applicable must be formalized in a public deed, which must specify the identities of the investors and the amount of the respective investment.</p>	

Credit	Amount	Limit	Requirements	Legislation applicable
			<p>e. The acquired ownership interest must remain in the taxpayer's assets for at least three years counted as from the date of incorporation or of the capital increase.</p> <p>f. To apply the credit, prior communication to the regional Administration is required, in the manner stipulated in the pertinent regulations.</p>	

Autonomous Community of La Rioja

Credit	Amount	Limit	Requirements	Legislation applicable
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None

Autonomous Community of Valencia

Credit	Amount	Limit	Requirements	Legislation applicable
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None