

# Government Enacts WHT Slabs for Employment Income, Tax Reductions

8 February 2024

Report from our correspondent A. de Juan Ledesma, International Tax Department, REPSOL Group

The government has implemented certain proposals relating to personal income tax, namely withholding tax (WHT) and tax reductions. These amendments are set out below.

## Withholding Tax

The new WHT table proposed in [Spain Proposes to Raise Minimum Salary for 2024, Increase WHT Slabs \(22 January 2024\)](#) has been approved without amendments.

Pursuant to the increase in the yearly minimum salary to EUR 15,876 through Royal Decree 145/2024 of 6 February 2024, the government has raised the yearly employment income exempt from WHT to prevent taxpayers that receive employment income (including pensions and unemployment benefits) in an amount equal to or less than the yearly minimum salary from being subject to WHT.

The regulations clarify that for employment income paid before 8 February 2024, the regulations in force as at 31 December 2023 will apply. For employment income paid from 8 February 2024, the new WHT table applies. The payer may elect to apply the new WHT to employment income paid from March 2024, in which case, and until then, the WHT table as at 31 December 2023 will apply.

## Tax Reductions

The government increased the tax reductions in employment income for taxpayers with net employment income of less than EUR 19,747.50. This increase will be accompanied by an amendment to the tax reductions approved by Law 31/2022 of 23 December 2022. For prior coverage, see [Budget 2023: Spain Slashes CIT for Small Corporations, Amends PIT Rates, Allowances \(3 January 2023\)](#).

The applicable tax reductions to be taken into account in determining the basis for calculating the WHT rate are as follows:

- if the net employment income is equal to or less than EUR 14,852: EUR 7,302;
- if the net employment income is between EUR 14,852 and EUR 17,673.52: EUR 7,302 less the amount resulting from multiplication of the difference between the net employment income and EUR 14,852 by 1.75; and
- if the net employment income is between EUR 17,673.52 and EUR 19,747.5: 2,364.34 less the amount resulting from multiplication the difference between the net employment income and EUR 17,673.52 by 1.14.

Royal Decree 142/2024 of 6 February 2024 entered into force on 8 February 2024, and is available [here](#) (as a PDF and in Spanish).

---

Spain - Government Enacts WHT Slabs for Employment Income, Tax Reductions (08 Feb. 2024), News IBFD.

Exported / Printed on 8 Mar. 2024 by hkermadi@deloitte.lu.