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TAX

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EMERGENCY MEASURES COVID-19:

Royal Decree-Law 17/2020 on Measures to Support the Arts Sector and Tax-Related Measures.

This New Alert XXV includes comments on Royal Decree-Law 17/2020 of 5 May approving support measures for the arts sector and tax-related measures to deal with the economic and social impact of COVID-19.



SUPPORT MEASURES FOR THE ARTS SECTOR AND TAX-RELATED MEASURES

The Arts sector is among the areas of the economy that have been hit particularly hard by the crisis. RDL 17/2020 lays down measures to support companies and workers in the arts sector, and the following tax-related measures:

1.- Declaration of events of exceptional public interest

The following events are **regulated**:

- Berlanga Plan, running from 01/04/2020 to 31/03/2023.
- Alicante 2021. Departure of the Round the World Sailing Tour, from 7/05/2020 to 31/12/2022.
- Spain, Guest of Honour at the Frankfurt Book Fair 2021, from 7/05/2020 to 30/11/2021.
- Development Plan for the Madrid Opera House in calle del Teatro Real, from 1/07/2020 to 30/06/2023.
- 175th anniversary of the construction of the Gran Teatre del Liceu, from 1/12/2020 to 30/11/2023.

The maximum tax benefits provided for in Article 27.3 of Law 49/2002 are established for all of these events.

2.- Declaration of events of exceptional public interest

The **duration** of the following events has been extended:

- Preparation programme for Spanish athletes taking part in the Tokyo 2020 Games: from 1/01/2017 to 31/12/2021.
- V Centenary of the first world circumnavigation by Fernando de Magallanes and Juan Sebastian Elcano: from 8/05/2017 to 31/12/2022.
- Andalucía Valderrama Masters: from 1/07/18 to 30/12/2021.
- Año Santo Jacobeo 2021: from 1/10/18 to 30/09/2022.



3.- Amendment of the deduction for investments in film productions and audiovisual series

With effect for **tax periods starting on or after 1 January 2020**, paragraphs 1 and 2 of Article 36 of Law 27/2014 of 27 November on Corporate Income Tax Act concerning the deduction for **investments in film productions, audiovisual series and live performances of the performing and musical arts, have been amended**, increasing tax incentives as a measure to boost the competitiveness of the Spanish film and audiovisual industry on a domestic and international level.

4.- Deductions for donations from personal income tax and non-resident income tax

Law 49/2002 of 23 December on the tax treatment of non-profit organisations and tax incentives for sponsorship has been amended, in order to **increase, by 5 percentage points, the deduction percentages envisaged for donations** made by personal income tax payers; this increase is also applicable to non-resident income tax payers operating in Spain without a permanent establishment.

Deduction base	Current %	New %
€150	75	80
Rest of deduction base	30	35

The percentage applicable to recurring donations for the amount exceeding €150 is also increased, from 35% to 40%.

We will continue to inform you of any new socio-economic measures and/or changes in legislation that may arise as a result of the COVID-19 pandemic.

Yours sincerely,
AUDICONSULTORES

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