

# What are the rules around travel expenses in Spain?

The ***Global Payroll Association's*** director of education and research, Jeanette Hibbert, investigates what the tax requirements are for travel benefits and expenses in Spain.



**Q.** We are reviewing our international travel benefits and expenses policies. The aim is to ensure we are not paying more tax than we need to based on the legal limits set out in each country. We also want to avoid being subject to extra liabilities and reporting requirements. What is the current situation in Spain?

Travel expenses reimbursed to employees through payroll are not taxable in Spain as long as certain criteria and qualifying limits are met. Any payments made in excess of the set limits are subject to liabilities.

Travel expenses generally include transport, accommodation and meals, but employees cannot claim for journeying to a workplace if they are based at that location for more than nine months of the year. It is also worth noting that customer service fees are not classed as a business expense and are subject to tax.

If workers use public transport for business journeys, they are not subject to tax providing they have presented their receipts for reimbursement. If they use their own car, mileage can be reimbursed at a rate of E0.19 per kilometre, which includes any parking and toll charges.

Any travel expenses that come about as a result of an employee relocating, including the costs of hiring a relocation company, are not taxable.

The following benefits can also be provided

Accommodation and meals:

Expenses	Location	Non – taxable. Up to (€) per day
Accommodation	Spain	53.34
	Abroad	91.35
Meals	Spain	26.67
	Abroad	48.08



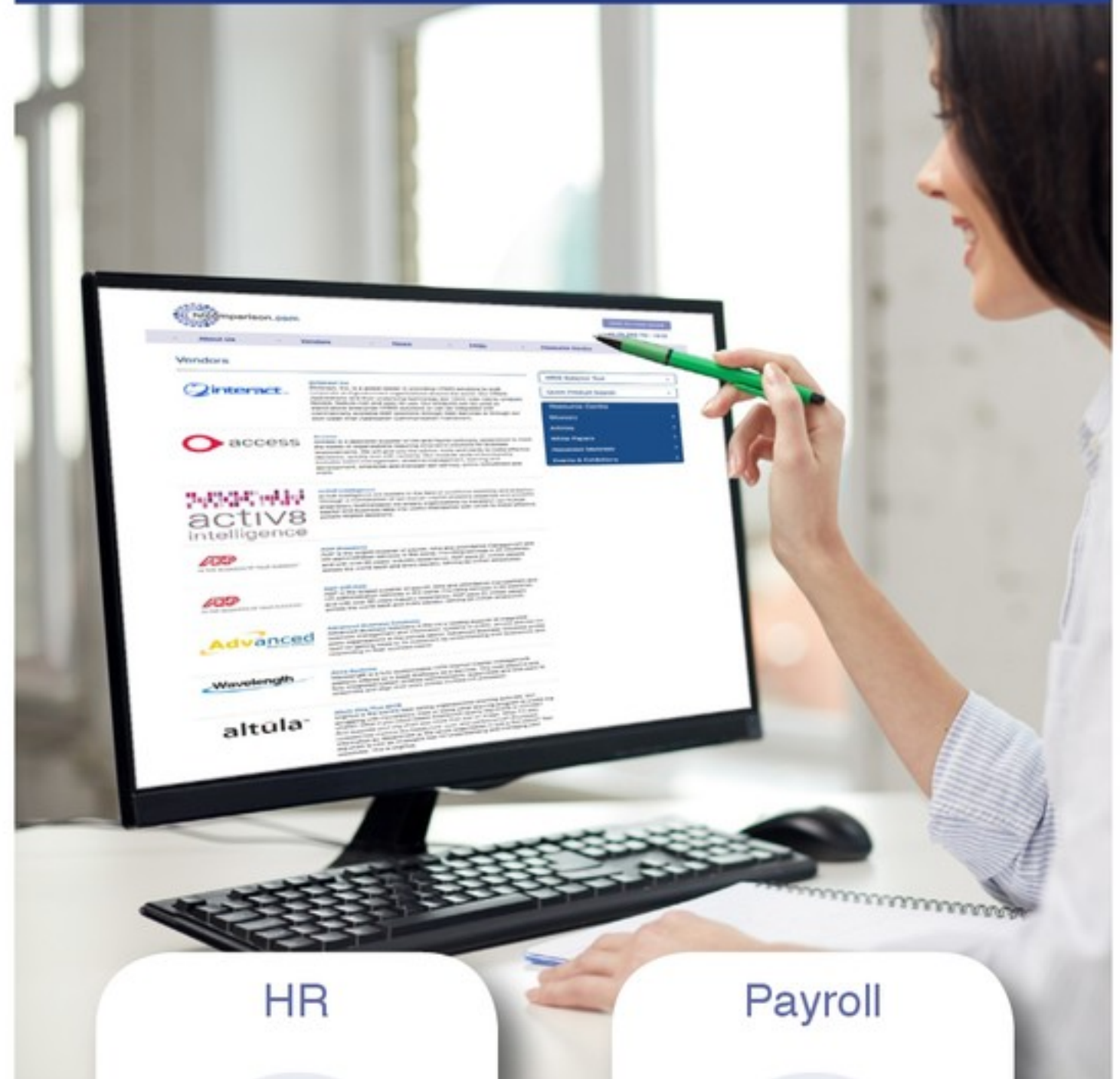
“Travel expenses reimbursed to employees through payroll are not taxable in Spain as long as certain criteria and qualifying limits are met.”

tax-free as long as it is the company that has the relationship with the provider rather than the worker:

- Meal vouchers up to the value of €9 (\$10.13) per day
- Private health insurance up to €500 (\$563) per year (single or family cover)
- Childcare vouchers (subject to certain limits and criteria)
- Employer contribution-only pension plans up to certain limits
- Shares in the company (or group company) up to certain limits and percentage of shares owned
- Subsidised sports and social facilities (subject to certain limits and criteria).

Up to 30% of an employee's gross salary can be paid in the form of benefits. But it is always recommended that a tax specialist review your expenses and benefits as they can prove to be complex areas of tax legislation. ■

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e: info@hrcomparison.com

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t: +44 (0) 203 751 1510