Agencia Tributaria

Consolidated annual accounts of corporate income tax

Methodology

Subdirectorate General for Statistics

Agencia Tributaria

INTRODUCTION

The "Consolidated annual accounts of corporate income tax" statistic refers to the analysed fiscal year and contains the consolidated information from the corporate income tax returns. It is based on companies not integrated in any fiscal group that pay taxes using form 200 and those consolidated groups that use form 220. This information complements the information provided in the Statistic on Annual Accounts in Corporate Income Tax, which contains all the declarations of form 200, both of the individual companies and of the companies belonging to groups, although those that belong to groups without settlement effects. While the Annual Accounts in Corporate Income Tax Statistic allow us to have a global view of the economic activity and the balance sheet of all the companies, this new publication offers a complete vision of the tax, including, among others variables, the consolidated net tax liability. This is the appropriate measure of the contribution of all companies to the State's tax revenues.
The net tax liability is the expression of the contribution to taxable income on an accrual basis; this tax amount is equivalent to the amount resulting from the declarants of Personal Income Tax. This publication specifies the calculation of the effective rate, in concordance with the data published by this Department. It is important to remark that all reports and statistics refer to the corporate income tax exclusively to what is paid in Spain, and more specifically to the Common Fiscal Territory.

Publication: aim and content

The publication of "Consolidated annual accounts of corporate income tax" is a census statistic based on the data provided by the annual corporate tax returns: form 200 for individual companies not included in fiscal groups and form 220 for companies that belong to a fiscal group. Form 220 is presented by the dominant enterprise of the group, which complying with the definition for consolidated fiscal group included in article 58 of the Corporate Income Tax Law (LIS), chooses to apply the tax regime regulated in Chapter VI. of Title VII of said law. The main purpose of this publication is to provide a detailed picture of the Corporate Income tax settlement referring to the results of the entities classified by type of business, sector or size according to the number of employees or the turnover, among other characteristics.

Within the Corporate Tax Income there are different tax regimes, the general and the special regimes regulated by Title VII of the LIS. In the special regimes, the fiscal consolidated is noteworthy due to the importance of the companies covered by it. This regime allows companies to pay the tax on a consolidated base. The companies that belong to a fiscal group are obliged to present form 200 like any other company, but the determination of the tax to be paid is made through form 220 with the taxable bases of all the companies integrated in the group. It is not possible to have a complete view of the tax without taking into account this peculiarity of fiscal groups.

This special regime allows the group as a whole to be considered as a tax payer, which establish the corresponding adjustments and settlement rules that apply to the aggregated data.

This particularity is taken into account in the statistics related to the Corporate Income Tax traditionally published by the Tax Office. In the "Corporate Income Tax Statistic, by items", the main variables presented refer to the individual declarations by enterprises through form 200, showing results of economic items by turnover (Balance Sheet, Profit and Loss Account) and fiscal items (adjustment to CR, settlement). These fiscal items do not take into account the special tax regime for business groups; therefore the figures showed refer to theoretical situations in absence of fiscal consolidation, with special impact in those distribution brackets where large groups are located. However, in the Corporate Income Tax Statistic, in the evolutionary tables section, the different items are classified according to whether the enterprise belongs or not to a fiscal group. As additional information, in the settlement section, some basic variables belonging to form 220 are shown, which are necessary to know the real situation of the tax paid for those enterprises that belong to a fiscal group. This information is used for the different collection reports, in particular the Annual Tax Collection Report (in

2017, tables 3.1, 3.3 and 8.4). However, the real paid tax data by enterprises is not represented in an aggregated way in the statistic; therefore, there is not a detailed analysis about the global data related to the corporate income tax. This is the aim of this new publication.

To achieve this challenge, in summary, we can say that it uses the information reported by individual enterprises not integrated in a fiscal group by form 200 and for those that belong to a group the information is obtained with the data reported by form 220. The information is presented for the total declarations, non-financial institutions, Credit institutions and Insurance companies, with the detail for the main figures declared and the effective rate by turnover and number of employees. As it has been mentioned, the total data, as well as the classification by enterprise type, refers to the real taxation.

Consequently, the main purpose of this publication is to expand the information available through the Corporate Income Tax Statistic with what is obtained by the form 220. In general terms, information related to individual enterprises that do not belong to any group is obtained from form 200, and the information referred to consolidated fiscal groups is obtained from form 220. On the other hand, enterprises to which a tax rate of 1% or 0% is applied are excluded from this study.

This publication includes the current Methodology, the Statistical tables and the Annexes.

Data and breakdowns will be available only when a minimum number of observations at the chosen breakdown is exceeded. This condition is considered sufficient and necessary to safeguard the secrecy and the confidentiality of taxpayers.

The statistical tables are structured into 3 independent sections, each of which presents different possibilities for displaying the data available:

1. Main variables
2. Adjustment to the accounting results
3. Tax settlement

In the Main variables section, the tables contain the number of firms and some of the most important items, such as: Tangible Assets, Turnover, Profit, Accounting Results, Taxable Base, Gross and Net Tax liability, and effective rates. Rates are calculated as a percentage between the net tax liabilities and positive tax base, or as a percentage between the net tax liabilities and profit, for all the different categories:

- Main variables by type (including sectorial classification)
  - Main variables by type and sign of the accounting result
  - Main variables by type and tax base
- Main variables by turnover
  - Main variables by turnover and sign of the accounting result
  - Main variables by turnover and tax base
- Main variables by company size
  - Main variables by company size and sign of the accounting result
  - Main variables by company size and tax base
- Consolidated data, Chapter IV Title VI LIS Deductions (applied)
  - Table with the main items of Deductions applied in Chapter IV Title VI LIS, disaggregated for Consolidated Total, for enterprises that declare according to form 220 of consolidated groups (Group) and for those that declare according to form 200 and do not belong to any group (No Group).

Consolidated data corresponds to the integration of two types of units:

1. Enterprises that pay taxes individually: No groups
2. Enterprises that pay taxes through consolidated groups: Groups

Differentiation between Profit and Net Accounting Result.

Profit is defined as the Positive accounting result, and in the case of groups this will be the sum of the positive accounting results of those enterprises with profit that belong to the group (i.e., the losses belonged to other enterprises that form the same group are not offset).

The Accounting Result is the result whatever its sign. In the case of groups, this will be the sum of the results, profits or losses, of all the enterprises that belong to the group. Therefore, it is the one that corresponds to the group.

Classification by sign refers to the Accounting Result’s sign of those enterprises analysed in the statistic: groups and no groups.

The information is available at National level, by type of form (Group or No Group), by the Accounting Result’s sign and by the Taxable Base’s sign.

Numeric information is accompanied by representative graphics.

Section “Adjustments to the Accounting Result” contains the increases and decreases to the Accounting Result referred to as technical adjustments (fiscal and commercial credit differences or those that refers to international agreements) and adjustments that act reducing the taxable base of the tax. In the case of consolidated fiscal groups, data is obtained from what is declared by form 200. This information is available disaggregated by enterprise’ type (total declarations, non-financial institutions, Credit institutions and Insurance companies) and by sector; each one of these grouping distinguishing between entities not belonging to a group and entities belonging to a consolidated fiscal group.

Tax settlement presents the information obtained through the Corporate Income Tax declarations from the taxable base to the liquid amount to be paid or returned to the State. Special interest over the gross tax liability and positive net tax liability, deductions for double taxation, allowances and other deductions, specially Deductions with limit of Chapter IV Title VI LIS (object of special detail in “Main Variables”), Deductions of art. 42 LIS and art. 36 third Law 43/95 and the Deductions for Investment in the Canary Islands. This information is available disaggregated as well by enterprise’ type (total declarations, non-financial institutions, Credit institutions and Insurance companies) and by sector; each one of these groupings distinguishing between entities not belonging to a group and entities belonging to a consolidated fiscal group.

REFERENCE SCOPES

Population scope

The Consolidated annual accounts of corporate income tax Statistic is a census operation whose population framework is constituted by two type of enterprises: those that declare individually and do not belong to any consolidated fiscal group (form 200) in the Common Fiscal Regime Territory, and societies groups that, following the definition for consolidated fiscal group declared in article 58 of LIS, decide to apply this taxable regime and present declaration as so (form 220) in the Common Fiscal Regime Territory. Therefore, it is a population defined by two conditions: one subjective, referring to the obligation to present corporate income tax, either as individual enterprise or as a group; the other as a geographical nature, which refers to the jurisdiction that is competent in relation to corporate income tax. This has to be the State, either as exclusive taxation in the Territory of the Common Tax Regime or as a shared taxation to several administrations (depending on the relative turnover): Basque Country and/or Navarre, according to the attribution's regulations in force in the respective Agreement or Concert. It is necessary to emphasize that any entity with its own legal personality is required to present corporate income tax except civil companies that do not have a mercantile object and other entities without their own legal personality.

For the preparation of the statistic, companies, that due to their special characteristics, are taxed at rate 0 of their taxable base (Pension Funds, UTE –Enterprises Temporary Union- and SOCIMIS) or those that are taxed at rate 1 (Collective Investment Institutions and SICAV) are excluded. This is done to ensure that their special characteristics do not disturb the accumulated data or the calculation of the effective rates for the different companies.

Geographical scope

This statistic includes the total number of taxpayers who file their return, either exclusively or partially according to their relative turnover, to the State.

Therefore, those enterprises that operate exclusively in the Basque Country or Navarre are excluded. Those consolidated fiscal groups that are under the taxable regime of the Foral Territories (the Basque Country or Navarre) are equally excluded. In any case, the consolidated fiscal groups are defined in the same way as the regulations established at any moment by the State. Therefore, the dominant company is obliged to exclude those subsidiary enterprises subject to regulations other than their own and that belong to the group (in the case of Navarra such exclusion occurs depending of the choice of the dominant company)

To be able to have double taxable, to the State and to the Foral territories, the following situations must occur:

- That having its address in the common territory, carries out business in both territories (common and Foral) during the tax period and that the turnover during the previous fiscal year had exceeded 7.000.000 euros.
- That having its address in the Foral territory, carries out business in both territories, its turnover during the previous fiscal year had exceeded 7.000.000 euros and that the total turnover carried out in the common territory represent at least 75% of the total during the tax period.

The joint taxation of the State and the Foral Administration of Basque Country and/or Foral Community of Navarre is regulated by Law 12/2002, of May 23rd (modified by Law 29/2007, of October 25th and by Law 7/2014, of April 21st), approving the Economic Agreement with the Autonomous Community of the Basque Country. Law 14/2015, of June 24th, modifying Law 28/1990, of December 26th, approving the economic Agreement between the State and the Foral Community of Navarre.

Temporal scope

The present statistic includes the Corporate Income Tax and the Consolidated Group Income Tax declarations related to the fiscal year analysed.

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OPERATING VARIABLES

This section lists some of the variables presented in the Statistical Tables and briefly describes the main characteristic of each of them.

Classification variables

Classification variables

The tabulation is presented according to five criteria or main classification variables, obtained from different tax sources:

- Tax form
- Type of entity
- Turnover
- Industry sector
- Size of the enterprise

TAX FORM: depending on the way to pay taxes, we distinguish between “no groups” that will report through form 200, and those that pay tax as “group” and do it through form 220.

- Group
- Non-group

Fiscal consolidated Groups are composed by those who fill form 220.

Non-groups are composed by the individual enterprises that fill form 200 which are not integrated into a consolidated group.

ENTITY TYPE: obtained from the tax regime declared in the tax’s declarations. Based on this information, taxpayers are classified as:

- Credit institutions
- Insurance companies
- Non-financial institutions

Credit Institutions: Group of groups of companies and other companies whose main activity is to finance, i.e. to collect, transform and share financial resources. These companies are obliged to prepare their annual accounts following the Bank of Spain accounting standards, i.e. Banks, Saving Banks and other financial institutions. The regulations in force for their financial statement are Bank of Spain Circular 6/2008 of November 26.

Insurance companies: Group of groups of companies and other companies whose main activity is to insure, i.e. to transform individual risk into collective risk. These companies are obliged to follow the Sector Accounting Plan approved by Royal Decree 1317/2008. Insurance companies include pension funds and social welfare entities such as mutual and mutual aid societies, but does not include civil servants’ mutual (MUFACE, MUGEJU and ISFAS), which belong to Social Security Administrations.

Non-financial Institutions: Group of groups of companies and other companies whose main activity is to produce goods and services intended for selling, whose legal form taxed or declared for Corporation Tax and prepare their annual accounts in accordance with the General Accounting Plan approved by Royal Decree 1514/2007 and the General Accounting Plan for Small and Medium-sized Enterprises approved by Royal Decree 1515/2007. This group represents the bulk of the statistic, representing more than 99% of the total population studied.

TURNOVER BRACKETS: the turnover variable is obtained directly from the declarations, form 200 refers to item 255 in non-financial institutions and to item 989 if credit institutions or insurance companies; form 220 refers to item 998. The breakdown (in thousands of euros) used is as followed:

Turnover brackets (thousands of euros)
Total Consolidated
0-50
50-100
100-300
300-600
600-1.000
1.000-2.000
2.000-3.000
3.000-4.000
4.000-5.000
5.000-6.000
6.000-10.000
10.000-20.000
20.000-60.000
60.000-100.000
100.000-500.000
500.000-1.000.000
>1.000.000

SECTOR GROUPING: Each enterprise activity is obtained through its main activity. In enterprises not integrated in a group the activity is the one declared by the enterprise. In consolidated groups the activity assigned is the one with bigger turnover accumulated among the main activities of all enterprises that belong to the group. Based on the activity, enterprises are classified in 5 sectors, according to the activity nomenclature of NACE 2009.

SECTOR CORRESPONDENCE IN NACE TERMS 2009			
ACTIVITY SECTOR		NACE 20019 SECTIONS	
SECTOR 1	AGRICULTURE, HUSBANDRY, FORESTRY AND FISHING	SECCTION A	AGRICULTURE, HUSBANDRY, FORESTRY AND FISHING
	EXTRACTIVE INDUSTRIES, ENERGY AND WATER	SECCTION B	EXTRACTIVE INDUSTRIES
		SECCTION D	SUPPLY OF ELECTRICITY, GAS, STEAM AND AIR CONDITIONING
		SECCTION E	WATER SUPPLY, SANITATION, WASTE MANAGEMENT AND DECONTAMINATION ACTIVITIES
	INDUSTRY	SECCTION C	MANUFACTURING INDUSTRY
SECTOR 2	CONSTRUCTION AND REAL ESTATE ACTIVITIES	SECCTION F	CONSTRUCTION
		SECCTION L	REAL ESTATE ACTIVITIES
SECTOR 3	TRADE, REPAIRS AND TRANSPORT	SECCTION G	WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES
		SECCTION H	TRANSPORT AND STORAGE
	INFORMATION AND COMUNICATIONS	SECCTION J	INFORMATION AND COMUNICATIONS
SECTOR 4	FINANCIAL AND INSSURANCE COMPANIES	SECCTION K	FINANCIAL AND INSSURANCE COMPANIES
	SERVICES TO BUSINESS	SECCTION N	ADMINISTRATIVE ACTIVITIES AND ANCILLARY SERVICES
		SECCTION M	PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES
SECTOR 5	SOCIAL SERVICES	SECCTION P	EDUCATION
		SECCTION Q	HEALTH ACTIVITIES AND SOCIAL SERVICES
		SECCTION O	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY HEALTH SERVICES
	OTHER PERSONAL AND LEISURE SERVICES	SECCTION I	HOTEL INDUSTRY
		SECCTION R	ARTISTIC, RECREATIONAL AND ENTERTAINMENT ACTIVITIES
		SECCTION S	OTHER SERVICES

FIRM SIZE. Enterprises are classified according to their size depending on the number of employees (calculated as an average of both fixed and temporary workers). For enterprises that do not belong to a group according to what is declared in the individual tax declaration. For consolidated groups adding the individual information declared by the enterprises that belong to the group in form 200. The information is grouped as followed:

1. Without employees: 0 salaried
2. Microenterprise: from 1 to 9 salaried employees
3. Small: from 10 to 99 salaried employees
4. Medium: from 100 to 250 salaried employees
5. More than 250 salaried employees (special breakdown is made for this group):
   - From 251 to 500 salaried employees
   - From 501 to 1.000 salaried employees
   - From 1.001 to 2.500 salaried employees
   - From 2.501 to 5.000 salaried employees
   - More tan 5.000 salaried employees

Secondary classification variables: Enterprises are also classified by the sign of accounting result or by the taxable base.

SIGN OF ACCOUNTING RESULT: It is a secondary classification variable but very useful to establish the differences between firms with profits and those with losses. It refers to the sign of the accounting result declared by the enterprise in form 200. In the case of consolidated groups, the sign is obtain as the aggregation of the data of all the enterprises that belong to the group according to their declaration in form 200.

POSSITIVE TAXABLE BASE: For the revenue analysis purpose (adjustments to accounting result and settlement, calculation of average and effective rate) the distinction is essential as the main tax liability of the tax occurs only for companies with a positive tax base. In this classification, the sign of the taxable base variable in consolidated groups is determined by the value obtained after the aggregation of the individual taxable bases, which is the item of the settlement for the special consolidated group regime.

In this statistic, the variables presented in Adjustment of account result and Settlement are the original declared by the taxpayers.

STATISTICAL CONFIDENCIALITY (S.E.)

Data and breakdown will be available only when a minimum number of observations at the chosen breakdown is exceeded. This condition is considered necessary to safeguard the privacy and confidentiality of taxpayers.

The value for the secret parameter is s.e.