CORPORATE INCOME TAX STATISTIC, BY ITEMS

Methodology
Foreword

The Spanish Tax Agency publishes the “Corporate Income Tax Statistic, by items”, obtained through the Corporate tax forms declared related to the fiscal year analysed. The Statistic provides detailed information of the main items content in the tax form 200 (“Corporate Income Tax and Income Tax for Non-residents with permanent business in Spain. Tax return”).

The statistic provide relevant information about all businesses declaring the form mentioned, distinguishing non-financial institutions, insurance companies, credit institutions and collective investment institutions.

The Corporate Income Tax (CIT) is a direct tax with person nature. It taxes business and other legal entities’ income. It is of a direct nature because it taxes income (profit) as a direct manifestation of the taxpayer’s economic capacity. It is of a personal nature because it takes into account certain particular circumstances of each taxpayer, such as the type of tax regime, the size of the entity for the purpose of applying the regime of small entities, etc.. Aspects that are directly involved in determining the amount of the tax burden that it is obliged to pay, coexisting in this model many special regimes.
INDEX

INDEX .................................................................................................................................................... 2
INTRODUCTION .................................................................................................................................. 3
AIM AND CONTENTS......................................................................................................................... 4
SCOPE DELIMITATION..................................................................................................................... 6
CLASSIFYING AND DATA USE VARIABLES....................................................................................... 7
RESULTS’ TABULATION..................................................................................................................... 11
INTRODUCTION

The “Corporate Income Tax Statistic, by items” is based on the information obtained by the annual Corporate Income Tax’s taxpayer, form 200 (“Corporation Income Tax and Income Tax for Non-residents with permanent business in Spain. Tax return”) 1 presented by all the Common Fiscal Regime Territory’s taxpayers.

The Corporate Income Tax (CIT) is a direct tax with person nature. It taxes business and other legal entities’ income. It is of a direct nature because it taxes fiscal year’s activity income, by assimilating the profit to the direct expression of the taxpayer’s economic capacity. It is of a personal nature because it takes into account certain specific circumstances of each taxpayer when specifying the amount of the tax burden that it is obliged to pay.

One of the most direct and expressive manifestation of a person’s economic capacity is the overall income perceived, measured over a given period. When the income is obtained by individuals, the tax that the Spanish Tax System establishes is the Personal Income Tax. However, if the person who declares the economic capacity obtaining income is a legal person (company, association, foundation, etc.), the obligation to contribute is carried out by the “Corporate Income Tax”. Therefore, the Corporate Income Tax is a supplement to the Personal Income Tax within the framework of our tax system.

Notes
(1) Permanent establishments and entities in the regime on income attribution constituted abroad with presence in the Spanish territory.
AIM AND CONTENTS

AIM

The “Corporate Income Tax Statistic, by items” is an exploitation of the annual returns’ model that provides a complete listing of the items contained therein.

This publication completes the information already available, with a completely different approach to the annual accounts in Corporate Income Tax.

CONTENT

The “Corporate Income Tax Statistic, by items” includes the current Methodological Notes and Statistical Tables.

The Methodological Notes provide the population, territorial and temporal scope, define the classification variables used as well as those exploited.

The Statistical Tables are structured in five sections, one including all declarations and the others according to the type of corporate: I. “Total Declarations”, II. “Non-financial institutions”, III. “Credit Institutions”, IV. “Insurance Companies” and V. “Collective Investment Institutions”. Mutual Guarantee Societies are excluded due to the small number and to ensure statistical confidentiality.

I. “Total Declarations” contains a set of tables referring to “The business demographics” displayed from different perspectives, a “Tax assessment’s Summary over all declarations” and “The item-by-item statistic” that contains every item from box 500 (“Profit and Loss Account Result”) to box 611 (“Differential Share”). All of them breakdown according to “Total revenue”.

II. “Non-financial institutions” information is presented in 12 groups according to the different model’s structure:
   - Groups 1 to 3 refer to Balance Sheet and Profit and Loss account, breakdown by total revenue in 14 strata. In particular, the balance sheet items (form 200, pages 3, 4, 5 and 6) and the Profit and Loss account (form 200, pages 7 and 8).
   - Groups 4 to 12 refer to Profit and Loss account results and the tax assessment. Information is presented aggregated for the total and in summary tables referring to pages 12 and 13 of the form 200 (common to the four types of institution).

The “non-financial” refers to the absence of institutions grouped as credit, insurance and collective investment that are analysed separately due to the differences detailed in the form itself.

III. “Credit Institutions” information is presented in 12 groups according to the different model structure submitted to accounts rules dictated by The Spanish Bank:
Groups 1 to 3 refer to Balance Sheet and Profit and Loss account breakdown by total revenue in 8 strata. For these institutions, the balance sheet items are on pages 27, 28 and 29 and the Profit and Loss account on page 30.

Groups 4 to 12 refer to Profit and Loss account results and the tax assessment, information is presented aggregated for the total and in summary tables.

IV. “Insurance Companies” information is presented in 14 groups according to the specific model structure for Insurance companies:

- Groups 1 to 5 refers to Balance Sheet and Profit and Loss account breakdown by the total revenue in 8 strata. For these institutions, the balance sheet items are on pages 34 to 37 and the Profit and Loss account on pages 38 to 41. This Profit and Loss account for Insurance Companies present an analytical or cascade structure with three sub-accounts: Non-life insurance technical account, Life insurance technical account and Non-technical account.
- Groups 6 to 14 refer to Profit and Loss account results and the tax assessment, information is presented aggregated for the total and in summary tables.

V. “Collective Investment Institutions” information is presented in 9 groups according to the specific model structure for Collective Investment Institutions:

- Groups 1 to 3 refers to Balance Sheet and Profit and Loss account breakdown by the total revenue in 7 strata. For these institutions, the balance sheet items are on pages 44 and 45 and the Profit and Loss account on 46.
- Groups 4 to 12 refer to Profit and Loss account results and the tax assessment, information is presented aggregated for the total and in summary tables.

STATISTICAL CONFIDENTIALITY (S.E.)

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

The value for the secret parameter is s.e.
SCOPE DELIMITATION

POPULATION SCOPE

The “Corporate Income Tax Statistic, by items” is a census of all those taxpayers obliged by the CIT (Corporation Income Tax), i.e., all taxpayers regardless of whether or not they have carried out activities during the tax period and whether or not they have obtained income subject to tax. The only exceptions to the general obligation to declare are provided for the current legislation.

GEOGRAPHICAL SCOPE

The tax liability is determined by residence in Spanish territory or the existence of a permanent establishment in case of non-residents. Institutions that meet any of the following requirements will be considered resident in Spanish territory:

- Formed following Spanish law
- Have the registered office in the Spanish territory
- Have the “effective management seat” in the Spanish territory

In this case, “effective management seat” will be interpreted as the place where the management and control of the pool of its activities take place.

According to the share of competences by the Economic Agreement with the Autonomous Community of Bask Country, and the Economic Agreement between the Spanish State and the Foral Community of Navarra, are excluded from this statistic those Institutions operating exclusively in both Foral Territories. Alternatively, those whose turnover, in the immediately preceding year, does not exceed 7 million euros, having its registered office in them are also excluded.

TEMPORAL SCOPE

The present statistic includes “all taxpayers form 200” related to the fiscal year analysed. However, due to the complexity of the tax, it does not necessarily refer to the natural year or a full year. It must refer to the institution’s fiscal year and cannot ever exceed 12 months. The tax is due on the last day of the tax period.
CLASSIFYING AND DATA USE VARIABLES

OPERATING VARIABLES

The classifying variables are “the number of taxpayers” and “the different items” contents in the tax form, presented in two different parts according to the structure of the form. In general the form presents the Annual Accounts including the Balance (Active and Passive) and the Profit and Loss account (or the equivalent for the Insurance Companies) and its results and adjustments (increase and reductions) and the liquidation value.

I. BUSINESS DEMOGRAPHICS

- **Number of taxpayers**: is the total number of taxpayers or the number of taxpayers that meet some criterion of demographic classification and classified by income groups.
- **% over the total**: is the distribution of the number of total or breakdown taxpayers. It is calculated as the quotient between the number of taxpayers in every stratum of income and the total of each stratum.

II. STATISTIC BY ITEM

The variables analysed here are shown distinguishing between “General Data” and “Item data”, both breakdown by income.

*General data*

- **Number**: refers to the total number or the number for the chosen collective of taxpayers (Non-financial, Credit, Insurance or Collective Investment Institutions).
- **Distribution**: refers to the percentage of taxpayers, calculated as the quotient between the number of taxpayers within the segment analysed and the total number of taxpayers of the segment.

*Item information*

Within this section, the information is given on:

- **Item: taxpayers**
  - **Number**: number of taxpayers within this item.
  - **Distribution**: percentage of taxpayers in this item. Calculated as a quotient between the number of taxpayers within this item and breakdown, and the total taxpayers in the item analysed.
- **Item: Amount**
  - **Amount**: refers to the amount declared in this item.
  - **Distribution**: percentage of the amount in this item. Calculated as a quotient between the amount within this item and breakdown, and the total overall amount in the item analysed.
  - **Average**: arithmetic mean as the quotient between the total amount of the breakdown and the number of taxpayers within the breakdown.
CLASSIFICATION VARIABLES

Business demographics’ classification variables

Demographic tabulation (only available in section I “Total Declarations”), shows the number of declarations following several classification criteria.

• The first one refers to the tax-rate according to the ‘Characteristics of the declaration’, establishing the next breakdown:
  o Small businesses
  o Large businesses
  o Non-financial institutions
  o Credit institutions
  o Insurance companies
  o Collective investment institutions
  o Total declarations

• The second criterion is related to economic matters:
  o Inactive. Those with zero Income
  o Losses. Those with negative result in the ‘Profit and Loss account’ (item 500)
  o Negative or null tax base. According to what is reported in item 552
  o Positive tax base. Those with positive value in item 552

• Third and last demographic criteria is based on the legal status according to the letter of their fiscal identity number as followed:
  o Letter A. Stock Corporation
  o Letter B. Limited Company
  o Letter C: General Partnership
  o Letter D: Limited Partnership
  o Letter E: Community of Property
  o Letter F: Cooperative Society
  o Letter G: Non-defined partnership
  o Letter N: Non-Resident
  o Letter P: Local Administration
  o Letter Q: Public Agency
  o Letter R: Religious Group or Institution
  o Letter S: Central Administration or Autonomous Community body
  o Letter U: Temporary Joint Venture
  o Letter W: Permanent Business Establishment of Non-Resident
  o Other: any other letter

Statistic by items’ classification variables

The tabulation by item is presented following two criteria: Enterprise’s type and income segments.

ENTERPRISE’S TYPE

Distinguishing five, following accounting differences included in the form 200, which includes specific sheets for the Balance and the Profit and Loss account for Credit Institutions, Insurance companies and Collective investment Institutions:

- Total declarations: includes the items common to all the enterprises, from item 500 (Profit and Loss account result) to item 611 (differential tax liability)
- Non-financial institutions: those with legal form subject and declare taxes through form 200. Their main function is the production of goods and services for the market and elaborate their accounts according to the General Accounting Plan approved by Royal Decree 1514/2007 and the General Accounting Plan for Small and Medium Enterprises (R.D. 1515/2007). Representing more than 99% of the total statistical population.

- Credit Institutions: enterprises or institutions whose main activity is funding (collect, transform and share financial resources). These institutions are obliged to elaborate their annual accounts following the accounting standards issued by The Bank of Spain. This group includes Banks and Savings Banks and other financial institutions.

- Insurance Companies: companies whose main activity is to ensure, that is, to transform individual risks into collective risks. Those that are obliged to apply the Sectoral Accounting Plan approved by Royal Decree 1317/2008. Insurance Companies include pension fund and social welfare institutions such as mutual funds and insurance funds, but do not include the mutual for civil servants (MUFACE, MUGEJU and ISFAS), which is part of the Social Security Administrations.

- Collective Investment Institutions: include portfolio investment companies and real estate investment companies. These companies have to fill in their accounting statement according to Regulation 3/2008 of the Spanish Securities and Exchange Commission (SEC).

**INCOME BREAKDOWN**

Divided in four groups within the enterprise type described above, according to the Balance and Profit and Loss account specific sheets in model 200 of the declaration for Credit, Insurance and Collective investment institutions.

There are three different breakdowns used base on income:

- **Breakdown I**: with 8 groups. Used for Insurance companies and Credit Institutions.

- **Breakdown II**: with 14 groups. Used for Non-financial institutions and Total declarations.

- **Breakdown III**: with 7 groups. Used for Collective Investment Institutions.

See below the different groups for every breakdown:

<table>
<thead>
<tr>
<th>BREAKDOWN I</th>
<th>TOTAL INCOME (Thousands of euros)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;6000</td>
<td></td>
</tr>
<tr>
<td>6000-12000</td>
<td></td>
</tr>
<tr>
<td>12000-30000</td>
<td></td>
</tr>
<tr>
<td>30000-45000</td>
<td></td>
</tr>
<tr>
<td>45000-60000</td>
<td></td>
</tr>
<tr>
<td>60000-90000</td>
<td></td>
</tr>
<tr>
<td>90000-180000</td>
<td></td>
</tr>
<tr>
<td>&gt;180000</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
</tr>
</tbody>
</table>
## BREAKDOWN II

<table>
<thead>
<tr>
<th>EXTENDED TOTAL INCOME (Thousands of euros)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;6</td>
</tr>
<tr>
<td>6-60</td>
</tr>
<tr>
<td>60-150</td>
</tr>
<tr>
<td>150-300</td>
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<tr>
<td>300-600</td>
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<td>600-1500</td>
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<td>1500-6000</td>
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<tr>
<td>6000-12000</td>
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<td>12000-30000</td>
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<td>45000-60000</td>
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<td>60000-90000</td>
</tr>
<tr>
<td>90000-180000</td>
</tr>
<tr>
<td>&gt;180000</td>
</tr>
<tr>
<td>TOTAL</td>
</tr>
</tbody>
</table>

## BREAKDOWN III

<table>
<thead>
<tr>
<th>TOTAL INCOME (Thousands of euros)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;6000</td>
</tr>
<tr>
<td>6000-12000</td>
</tr>
<tr>
<td>12000-30000</td>
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<tr>
<td>30000-45000</td>
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<tr>
<td>45000-60000</td>
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<tr>
<td>60000-90000</td>
</tr>
<tr>
<td>&gt;90000</td>
</tr>
<tr>
<td>TOTAL</td>
</tr>
</tbody>
</table>

Total Income definition according to the accounts model:

- **Total Declarations and Non-financial Institutions:**
  - Income = B255 + B258(if positive) + B259 + B265 + B285 + B286 + B290 + B292 + B295(if positive) + B297 + B309(if positive) + B312(if positive) + B317 + B318 + B320 + B321 + B326(if positive) + B294(if positive) + B329(if positive)

- **Credit Institutions:**
  - Income = B204 + B208 + B209 + B211(if positive) + B216(if positive) + B217 + B224(if positive) + B225(if positive) + B229(if positive) + B232(if positive) + B234(if positive) + B236(if positive) + B239
Insurance Companies:
- Income = B236 + B237 + B244 + B253 + B291 + B292 + B299 + B308 + B309 + B351 + B371 + B380(if positive) + B381(if positive) + B327(if positive) + B265(if positive)

Collective Investment Institutions:
- Income = B204 + B205 + B206 + B216 + B218 + B223 + B224(if positive) + B226 + B228(if positive) + B233(if positive) + B234(if positive) + B237(if positive) + B238(if positive) + B239(if positive) + B242(if positive)

RESULTS’ TABULATION

“NATIONAL TOTAL” results are presented in five blocks:

BLOCK I: "Total declarations"

Contains information related from item 500 “Profit and Loss account results” to item 611 “Differential tax liability”.

This group is divided in three subgroups.

First one, named “BUSINESS DEMOGRAPHY”, with general tables showing a total view according to different criteria:
- tax system following the tax declaration
- enterprise economic situation according to some of the item in the tax declaration
- fiscal identity according to the first letter in the tax identification number

Each breakdown by income.

Second, named “TOTAL LIQUIDATION SUMMARY”. Aggregated data from item 500 to 611 without income breakdown.

Third, named “STATISTIC BY ITEMS”. Data is presented item by item, grouped according to the model structure, as followed:

1. ACCOUNTING RESULT
2. ACCOUNTING RESULTS’ CORRECTIONS: INCREASES
3. ACCOUNTING RESULTS’ CORRECTIONS: DECREASES
4. POSITIVE ASSESSMENT BASE AND TAX LIABILITIES
5. DOUBLE TAXATION DEDUCTION
6. BONUS AND POSITIVE ADJUSTED GROSS TAX LIABILITIES
7. OTHER DEDUCTIONS AND POSITIVE NET TAX LIABILITIES
8. WITHHOLDINGS, DEDUCTIONS AND FISCAL YEAR TAX LIABILITY
9. PAYMENTS IN INSTALLMENT (STATE) AND DIFFERENTIAL TAX LIABILITY
BLOCK II: "Non-financial institutions"

Divided in 12 subgroups according to the model declaration structure:

1. BALANCE: ASSETS  
2. BALANCE: LIABILITIES  
3. PROFIT AND LOSS  
4. ACCOUNTING RESULT  
5. ACCOUNTING RESULTS' CORRECTIONS: INCREASES  
6. ACCOUNTING RESULTS' CORRECTIONS: DECREASES  
7. POSITIVE ASSESSMENT BASE AND TAX LIABILITIES  
8. DOUBLE TAXATION DEDUCTION'  
9. BONUS AND POSITIVE ADJUSTED GROSS TAX LIABILITIES  
10. OTHER DEDUCTIONS AND POSITIVE NET TAX LIABILITIES  
11. WITHHOLDINGS, DEDUCTIONS AND FISCAL YEAR TAX LIABILITY  
12. PAYMENTS IN INSTALMENT (STATE) AND DIFFERENTIAL TAX LIABILITY

From 1 to 4 the information is presented item by item and broken down in 14 income groups. From 5 to 12 information is presented aggregated in tables without the income breakdown.

BLOCK III: "Credit Institutions"

Divided in 12 subgroups according to the model declaration structure:

1. BALANCE: ASSETS  
2. BALANCE: LIABILITIES  
3. PROFIT AND LOSS  
4. ACCOUNTING RESULT  
5. ACCOUNTING RESULTS' CORRECTIONS: INCREASES  
6. ACCOUNTING RESULTS' CORRECTIONS: DECREASES  
7. POSITIVE ASSESSMENT BASE AND TAX LIABILITIES  
8. DOUBLE TAXATION DEDUCTION'  
9. BONUS AND POSITIVE ADJUSTED GROSS TAX LIABILITIES  
10. OTHER DEDUCTIONS AND POSITIVE NET TAX LIABILITIES  
11. WITHHOLDINGS, DEDUCTIONS AND FISCAL YEAR TAX LIABILITY  
12. PAYMENTS IN INSTALMENT (STATE) AND DIFFERENTIAL TAX LIABILITY

From 1 to 3 the information is presented item by item and broken down in 8 income groups. From 4 to 12 information is presented aggregated in tables without the income breakdown.
BLOCK IV: "Insurance Companies"

Divided in 14 subgroups according to the model declaration structure:

1. BALANCE: ASSETS
2. BALANCE: LIABILITIES
3. TECHNICAL ACCOUNT: NOT LIFE INSURANCE
4. TECHNICAL ACCOUNT: LIFE’S INSURANCE
5. NON TECHNICAL ACCOUNT
6. ACCOUNTING RESULT
7. ACCOUNTING RESULTS’ CORRECTIONS: INCREASES
8. ACCOUNTING RESULTS’ CORRECTIONS: DECREASES
9. POSITIVE ASSESSMENT BASE AND TAX LIABILITIES
10. DOUBLE TAXATION DEDUCTION
11. BONUS AND POSITIVE ADJUSTED GROSS TAX LIABILITIES
12. OTHER DEDUCTIONS AND POSITIVE NET TAX LIABILITIES
13. WITHHOLDINGS, DEDUCTIONS AND FISCAL YEAR TAX LIABILITY
14. PAYMENTS IN INSTALMENT (STATE) AND DIFFERENTIAL TAX LIABILITY

From 1 to 5 the information is presented item by item and broken down in 8 income groups. From 6 to 14 information is presented aggregated in tables without the income breakdown.

BLOCK V: "Collective Investment Institutions"

Divided in 9 subgroups according to the model declaration structure:

1. BALANCE: ASSETS
2. BALANCE: LIABILITIES
3. TECHNICAL ACCOUNT: NOT LIFE INSURANCE
4. TECHNICAL ACCOUNT: LIFE’S INSURANCE
5. NON TECHNICAL ACCOUNT
6. ACCOUNTING RESULT
7. ACCOUNTING RESULTS’ CORRECTIONS: INCREASES
8. ACCOUNTING RESULTS’ CORRECTIONS: DECREASES
9. POSITIVE ASSESSMENT BASE AND TAX LIABILITIES
10. WITHHOLDINGS, DEDUCTIONS AND FISCAL YEAR TAX LIABILITY
11. FRACTIONATED PAYMENTS (STATE) AND DIFFERENTIAL TAX LIABILITY

From 1 to 3 the information is presented item by item and broken down in 7 income groups. From 4 to 11 information is presented aggregated in tables without the income breakdown.