



CROATIAN CENTRE  
FOR COOPERATIVE  
ENTREPRENEURSHIP



Grad Zagreb

INTERNATIONAL DAY OF COOPERATIVES 2016

**COOPERATIVES – THE POWER TO ACT FOR A SUSTAINABLE FUTURE**

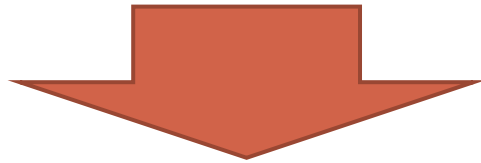
# SPANISH TAX TREATMENT OF CO-OPERATIVES

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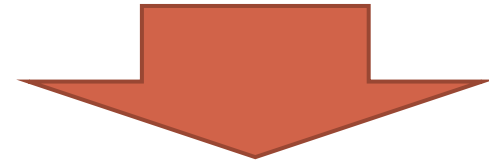
# Constitutional basis

- Art. 129.2



"The authorities ... Will encourage, through appropriate legislation, cooperative societies"

- Art. 31 : Ability to pay



- Need to adapt taxation to the specialties of the model.

**Law 20/1990, regulates the special tax regime for cooperatives**

# Adjustment rules

Corporation tax

Rules on valuation of operations with members

Double tax base and rate (cooperative/extracooperative)

Treatment of compulsory funds

Interests on capital as deductible expense

# Tax benefits

## General:

Tax protected cooperatives

## Additionally:

**Specially** tax protected cooperatives

# Types of cooperatives for tax purposes

## Non protected

If they incur

- Adjustment rules

## Tax protected

- Not incur any cause of loss of status

- Adjustment rules
- General Tax benefits

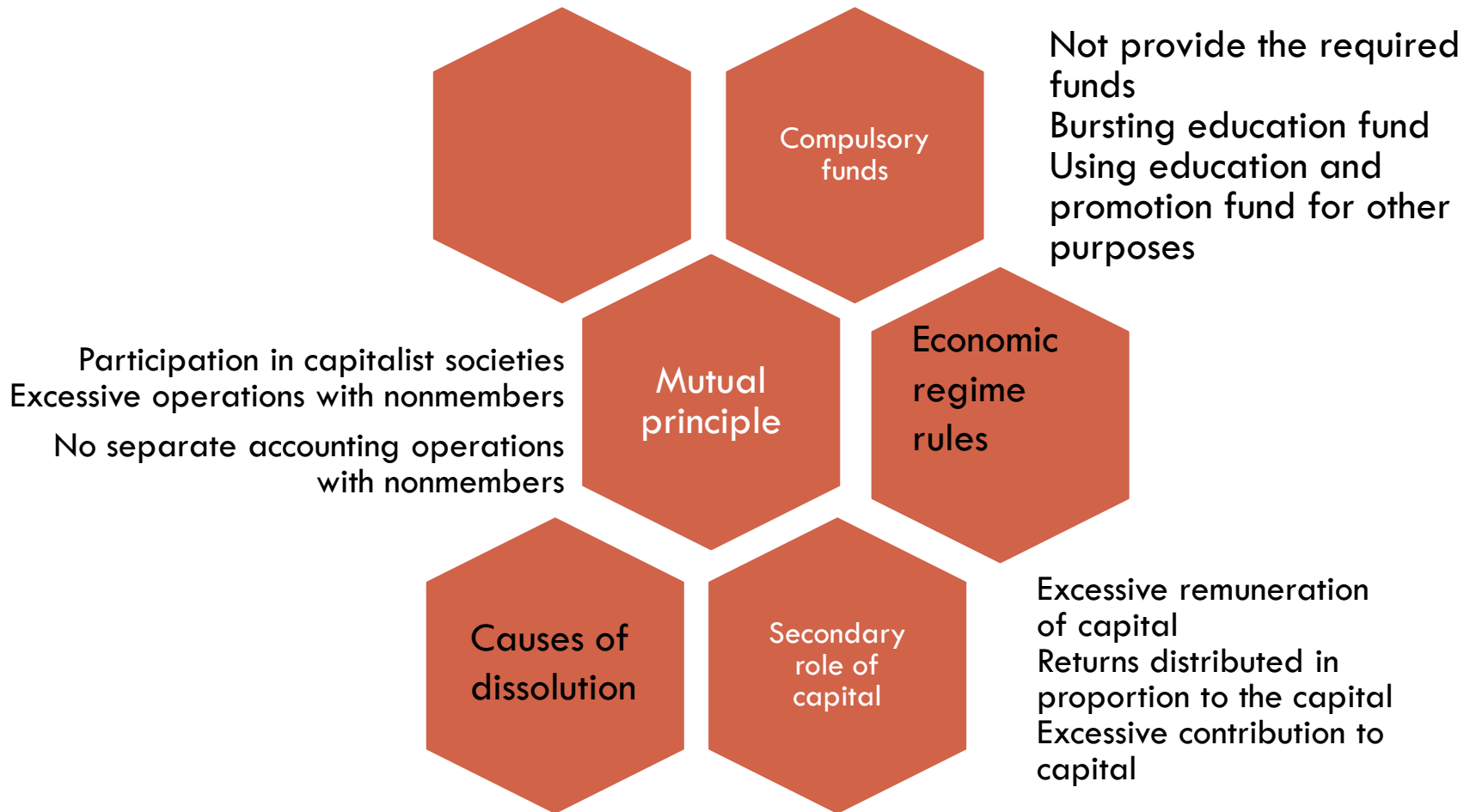
If so

## Specially tax protected

- Enlisted art. 7
- Meet requirements

- Adjustment rules
- General tax benefits
- Special tax benefits

# Tax protection causes of loss



# Treatment of protected coop

## Corporation tax

- Adjustment rules

## Other taxes

- Exemption on tax on transactions for purchases for the Educational Fund
- 95% on local taxes: real state property and economic activities license

# Coop specially protected

To be  
protected

To be enlisted:  
**Workers coop**  
**Agricultural coop**  
**Consumer's coop**

To meet the specific  
requirements of the  
category of coop

# Worker's cooperatives







Partners only  
individuals and working  
people



Paying partners no  
more than twice the  
market value



They can hire a limited  
number of non-member  
workers

# Agrarian co-operatives



# Requirements

## Operations with no members

- They can't buy or sell to nonmembers more than 50% of the turnover

## Size of the farms

- Limits on the size of farms of the members

# Consumer's cooperatives



The can only  
sell THINGS,  
not to provide  
services

Only physical  
people can be  
members

Not  
corporations

The can't sell  
nonmembers  
more than 50%  
(safe big  
coops)

# To determine the qualification of a cooperative

In conclusión...

- In connection with its protected status, we normally analyze if it meets the requirements of the cooperative rules
- However when it is particularly protected, the tax legislation puts its own requirements

# Tax benefits for specially protected

## Corporation tax



- 50% of quota off

## Tax on transactions



- Exemption at the purchases of goods for the fulfilment of cooperative purposes

# Corporation tax

## Tax bases and rates

# Tax rates

	Extracooperative revenue	Cooperative revenue
Non protected	25%	
Protected	25%	20%
Specially protected	25% - 50% bonificación = 12,5%	20% - 50% bonificación = 10%
Credit cooperative	30%	25%





	Cooperative	Extracooperative
INCOME	<ul style="list-style-type: none"> <li>- Operations with members (market value/Price value)</li> <li>- Dues payed by members</li> <li>- Grants</li> <li>- Revenues from other cooperatives</li> <li>- Financial income from management of ordinary treasury</li> </ul>	<ul style="list-style-type: none"> <li>- Operations with nonmembers</li> <li>- Capital gains</li> <li>- Financial income</li> <li>- Dividends from capital societies</li> </ul>
EXPENSES	<ul style="list-style-type: none"> <li>-Share of the general expenses</li> <li>- Particular expenses</li> <li>- Contributions to the Educational Fund</li> <li>- Interests paid for capital</li> </ul>	<ul style="list-style-type: none"> <li>-Share of the general expenses</li> <li>- Particular expenses</li> </ul>
	<b>- 50% Contributions to the compulsory Financial Fund</b>	<b>- 50% Contributions to the compulsory Financial Fund</b>
	Cooperative tax base	Extracooperative tax base
	20%	25%
	QUOTA	
	-Compensation of losses previous years	
	- ( if so) 50% quota for specially protected cooperatives	



Thank you for your attention!

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