

## Analysis of Decree Law 5/2025, of March 25, adopting urgent measures in tax matters, personnel expenses, and other administrative matters

Yesterday was published in the *Diari Oficial de la Generalitat de Catalunya* (DOGC), the [Decree Law 5/2025, of March 25](#), adopting urgent measures in tax, personnel expenses, and other administrative matters, with the main objective of responding to the difficulties of access to housing, as well as to ensure the protection of the victims of certain vulnerable groups.

To this end, a series of tax measures have been adopted that affect both own and assigned taxes. The **main novelties** introduced by this Decree Law are as follows:

**In the tax on capital transfers and documented legal acts**, the following modifications are incorporated with effect from June 27, 2025:

- Two **new brackets** are introduced to tax the transfer of real estate, with a 12% rate for real estate whose declared value is between 900,000 and 1,500,000 euros, and a 13% rate for real estate exceeding the previously referenced maximum amount of 1,500,000 euros.
- An **increased rate of 20%** is applied both to the **purchase of real estate by large holders** and to the **purchase of entire residential buildings**, except when the purchaser is an individual, the real estate consists of a maximum of four apartments, and these are intended to be the habitual residence of the purchaser and their family members.

For the purposes of applying this tax rate, a large holder is defined as an individual or legal entity that owns more than 10 residential properties, or residential properties with a constructed surface area exceeding 1,500 m<sup>2</sup> located in Catalonia. This definition also applies to any individual or legal entity that owns five or more urban residential properties located within the stressed residential market area declared by the *Generalitat de Catalunya*. Garages and storage rooms are not included in the calculation.

- The 70% bonus for home purchases by real estate companies for subsequent resale is eliminated.
- A **rate of 3.5%** is applied for the Stamp Duty Tax when the deed documents the transfer of real estate in which the Value Added Tax (VAT) **exemption has been waived**.
- A 50% reduction in the tax rate is introduced for the transfer of office buildings or unfinished buildings intended for conversion into subsidized housing, as well as for the transfer of real estate that will become the registered office or work center of companies or professional businesses. If these transfers are subject to Value Added Tax (VAT), the 50% reduction will be applied to the corresponding tax on documented legal acts.

- The age limit for applying the reduced rate of 5% on the purchase of a primary residence is extended from 32 to 35 years (while maintaining the existing income limits) and a reduced rate of 5% is also adopted for the purchase of a primary residence by victims of gender violence.
- A 100% tax credit is granted for the transfer of non-profit housing cooperatives, as well as for the transfer of works of art -if the buyer is a businessman in the sector and sells them within a period of less than one year-. If these transfers are subject to Value Added Tax (VAT), the 100% reduction will be applied to the corresponding Stamp Duty Tax.

Regarding the **Inheritance and Gift Tax**, effective from June 27, 2025, changes aimed at the protection of victims of gender violence are introduced. Specifically, a 99% reduction is established for blood descendants and ascendants of a victim of gender violence, and 95% for donations of a house or money to acquire a house, provided the property is intended to be the habitual residence of the victim. In this case, the reduction is limited to 100,000 euros, which may be increased to 200,000 euros in certain cases.

Additionally, the following measures are approved for **Personal Income Tax**, with retroactive effect from January 1, 2025:

- The regional scale is modified by reducing the tax rates in its first bracket from 10.5 % to 9.5 %. This reduction is offset by increases in the three immediately higher brackets (up to 53,000 euros) which, however, are also rounded and simplified.
- The age and income requirements for the deduction on renting a primary residence are adjusted, and the deduction itself is improved. The age limit for its application increases from 32 to 35 years, and the income limit (measured as the sum of the general and savings taxable bases minus the personal and family minimum) is raised from 20,000 to 30,000 euros. The maximum deductible amount also increases from 300 to 500 euros per year, and the requirement that the amount of rent exceed 10% of the taxpayer's income to apply the deduction is eliminated.
- A new deduction is created for victims of gender violence, equal to 20% of the amount paid for renting their habitual residence, with a maximum limit of 1,000 euros per year -which can be increased to 1,200 euros in specific cases-.
- New deductions are introduced for capital contributions to agricultural and housing cooperative societies, up to a maximum of 3,000 euros. Additionally, the deduction for foster care of minors is aligned with the current deduction for birth and adoption.

Regarding the **tax on CO2 emissions from vehicles**, with immediate effect, it is established that vehicles in temporary deregistration will not be subject to this tax. This adjustment ensures legal coherence and legal certainty, eliminating unfair tax burdens for vehicle owners whose vehicles are not in circulation.

With regard to the **water tax**, also with immediate effect, urgent adjustments are made to its regulation, including the introduction of a social rate aimed at expanding access to bonuses,

so that more individuals in vulnerable situations can receive support. Furthermore, minimum billing rates will be eliminated, and a fixed fee based on monthly consumption will be introduced, with the aim of encouraging responsible usage and ensuring that users pay proportionally.

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**Ernesto Lacambra**

Partner Tax

[ernesto.lacambra@caseslacambra.com](mailto:ernesto.lacambra@caseslacambra.com)

**David Navarro**

Partner Tax

[david.navarro@caseslacambra.com](mailto:david.navarro@caseslacambra.com)

**Alberto Gil**

Partner Tax

[alberto.gil@caseslacambra.com](mailto:alberto.gil@caseslacambra.com)

**Jorge del Castillo**

Partner Tax

[jorge.delcastillo@caseslacambra.com](mailto:jorge.delcastillo@caseslacambra.com)

**Alberto Artamendi**

Counsel Tax

[alberto.artamendi@caseslacambra.com](mailto:alberto.artamendi@caseslacambra.com)