

The renunciation of the Spanish Catholic Church's exemption from the tax on buildings, installations and works (ICIO).

NEWS

The Catholic Church and the exemption from the tax on constructions, installations and works (ICIO) - the 'orden ministerial' of 5 June 2001 and the confirmation of the exemption - Agreement between the Government and the Spanish Bishops' Conference of 29 March 2023 to waive the exemption.

[With the agreement signed on 29 March 2023 between the Spanish Government and the Spanish Bishops' Conference](#), with the consent of the Holy See, the Spanish Catholic Church renounced its exemption from the tax on constructions, installations and works (ICIO).

Article IV, paragraph 1, letter B of the *Acuerdo entre el Estado Español y la Santa Sede sobre Asuntos Económicos, de 3 de enero de 1979* establishes that the Holy See, the Bishops' Conference, the Dioceses, the Parishes and Religious Orders and Congregations and Institutes of Consecrated Life and their provinces and houses have the right to the 'total and permanent exención de los impuestos reales o de producto sobre la renta y sobre el patrimonio'.

The difficulty of including among real taxes also the tax on constructions, installations and works (ICIO) - introduced after the 1979 Agreement - was overcome with the issuance of the [orden de 5 de junio de 2001](#) del *Ministerio de Hacienda*, which clarified the scope of the exemption and confirmed its extension to the ICIO.

Following the signing of the agreement of 29 March 2023, made effective with the exchange of notes between the Spanish Government and the Apostolic Nunciature in Spain, the [orden de 5 de junio de 2001](#) will therefore be abrogated and, in compliance with the principle of non-discrimination, there will be full equality between the construction tax regime recognised to the Catholic Church and that envisaged for other religious denominations, as well as non-profit organisations.

Finally, it should be noted that the signing of the agreement follows, by a few weeks, the [European Commission's decision of 3 March 2023, no. SA.20829, to order Italy to recover, even partially, the municipal tax on buildings not collected by civilly recognised ecclesiastical institutions for the years 2006-2011.](#)

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