

New reduced art VAT rates. Works of art, collectors' items and antiques.

While Spain had traditionally applied a general VAT rate on imports, sales and intra community acquisitions of works of art, collectors' items and antiques, most EU member states were applying reduced rates: France, 10% Italy 1% Germany, 7% Ireland, 13,5%. Royal-Decree Law 1/2014 introduces paragraphs 4 and 5 in art. 91 of the VAT Act 37/1992, reducing the VAT general rate (21%) to a reduced rate (10%) for:

1. Imports of works of art, collectors' items and antiques, regardless of who imports them.
2. Sales or Intra-community acquisitions of works of art carried out by authors/ right holders and by entrepreneurs (other than intermediaries of art. 136 VAT Act) entitled to a 100% VAT deduction.

Reduced rates will only be applicable for intermediaries when their buyer is not a reseller. Art Galleries are therefore analyzing the possibility of working on commission instead of assuming the sale risk.

Art. 135.Uno.3º of the VAT Act is also modified, including in the *Special Scheme for second-hand goods, works of art, collectors' items and antiques*, the sales of those works of arts acquired from entrepreneurs or professionals in transactions where the reduced VAT rate was applied.

[Royal Decree Law 1/2014](#). (BOE, 25-enero-2014)

