Flights, NIE, residency

Direct JFK → PMI flights seasonal (May–October, United + Iberia). Year-round via MAD or BCN (5–6h total). NIE number (Número de Identidad de Extranjero) and Spanish bank account are mandatory before notary signing — both arranged in parallel with due diligence. US passport holders can stay in Schengen 90 days per 180-day period without visa. Spanish residency via Non-Lucrative Visa (passive income €30k+/year) or Digital Nomad Visa (remote employer >€2,762/month). Golden Visa for €500k+ property purchase was abolished April 2025 — no longer a residency pathway via real estate.

Tax — what US buyers need to know

Closing costs 10.5–14% on top: ITP Balearic progressive (8% to 400k, 9% to 600k, 10% to 1M, 12% to 2M, 13% above). New build: 10% VAT + 1.5–2% AJD instead. US citizens face higher non-EU IRNR rate (24% on gross rental income, no expense deduction). Major audit-pending: Tribunal Supremo Oct 2025 overturned this for Swiss; US-buyers' deduction is pending similar litigation. FATCA reporting: Spanish bank accounts >$10k aggregate require FBAR (FinCEN 114) filing. Property ownership itself is not FBAR-reportable, but bank accounts holding the purchase funds are. Form 8938 (Statement of Specified Foreign Financial Assets) thresholds: $50k/$100k single/joint living in US, $200k/$400k living abroad. Spanish property itself NOT reportable on 8938 (only financial assets). US-Spain tax treaty avoids double taxation — Spanish rental income credited against US tax. Wealth tax (Patrimonio): €3M per-person allowance Balearic, then progressive to 3.45%.

Personal name vs Spanish SL vs US LLC?P

For personal use: personal name simplest. SL incurs ~€3,000–5,000/year accounting + compliance even with no income. Hidden-distribution trap (vGA): if SL holds property and you use it personally without paying market rent, AEAT qualifies as operación vinculada. Tribunal Supremo 986/2025 confirmed. Retroactive 4 years.
US LLC holding Spanish property: AEAT treats LLC as transparent entity. Adds US-side complexity (Form 8865 for foreign-formed partnerships) without Spanish-side benefit.
Recommendation US buyer ≤2 properties: personal name. Larger rental portfolios: review with US+Spanish tax advisor — entity choice depends on overall US tax position.

Real cost of buying

ITP/IVA: 8–13% (resale) or 10% IVA + 1.5–2% AJD (new build) Notary: €600–€2,500 (federal arancel RD 1426/1989) Land registry: €600–€2,200 (federal arancel RD 1427/1989) Lawyer: 0.5–1.5% of price plus 21% VAT Gestoría: €300–€1,000 (administrative handling) Optional: our buyer's agent Mortgage AJD stamp duty 1.5% of loan paid by BANK since Law 5/2019 — NOT by buyer.

Inheritance + estate planning for US heirs

Ley 11/2023: 100% Balearic inheritance-tax bonification for family (Group I+II: children, spouses, parents, grandchildren). US heirs may use it. Practical: €400k inheritance to family = €0 Spanish tax. Declared value must not exceed Valor de Referencia by >20%. US estate tax (federal) applies to worldwide assets if decedent is US citizen/resident. Spanish property may be subject to both US estate tax AND Spanish inheritance tax — US-Spain tax treaty provides credit mechanism. Pacto Sucesorio Mallorca: only parents → children, business partners excluded. Recommendation: Spanish will at notary (family as primary heirs). For US-Spain coordination, work with cross-border estate attorney — we refer.

Can I get a Spanish mortgage as a US citizen?

Yes. Sabadell, Bankinter, CaixaBank, UCI lend to non-EU buyers at LTV 50–60% (vs 60–70% for EU). Fixed rates 4.3–5.2% (2026). Source-of-funds documentation is the main bottleneck — typical 4–6 weeks application-to-offer.

Do I need to report Spanish property on US tax returns?
Property itself: n

No Form 8938 reporting. But Spanish bank accounts >$10k
aggregate require FBAR (FinCEN 114). Rental income reportable on Schedule E with foreign tax credit for Spanish IRNR paid.

What about the Golden Visa?

Abolished April 2025 by Real Decreto. €500k+ property purchase no longer grants Spanish residency. Alternative pathways: Non-Lucrative Visa (€30k+/year passive income), Digital Nomad Visa (remote employer income >€2,762/month).

How does inheritance work for US heirs?

Spanish 100% bonification (Ley 11/2023) applies to family heirs in Group I+II. Property also enters US worldwide estate calculation — US-Spain treaty provides credit. Recommend cross-border estate attorney.

Is Mallorca a good rental investment for US buyers?

Yes but with caveats. ETV (tourist license) new issuance suspended since April 2025 for apartment buildings. Single-family homes can still apply. Existing-ETV resale: rare, priced at premium. Seasonal rental (32 days–11 months) legal without ETV, attractive yields.

How long does a Mallorca purchase take?

Realistic 8–14 weeks: reservation → due diligence → arras contract (10% deposit) → notary. Title transfers at notary signing. We coordinate around your travel — most US buyers fly in 2× during the process.