

# Majorca Daily Bulletin

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## Spanish business group warns tax changes may hit corporate solvency

London.—Spain's plans to introduce changes to corporate tax laws in a bid to raise revenues and keep the public deficit in check could endanger some companies' solvency, business association CEOE said in a letter sent to the government and seen by *Reuters*.

Spain's acting economy minister Luis de Guindos said on Tuesday the govern-

ment would sign a decree in coming months aimed at making companies pay more of their tax bill upfront.

"This tax advance was not accounted for by treasuries of the affected companies, and so it will raise their financing needs and could compromise their solvency in some cases," CEOE head Juan Rosell said in the letter addressed to the economy

and treasury ministers. Spain faces potential European Union sanctions for failing to do enough to reduce its public deficit in line with Brussels' targets after overshooting the goal in 2015.

Following two inconclusive elections since December, and with Spaniards potentially facing another trip to the polling booth at the end of the year, the act-

ing conservative government has been unable to focus on the public finances this year. Spain has been given a reprieve by Brussels on any potential fine following the 2015 miss, but the lack of a government and the prospect that will mean this year's budget is rolled over into 2017, mean a later sanction is still possible, de Guindos has said.



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