



Tax rate for Andorra solar container communication station flow battery services





Overview

This tax rate is set at a general rate of 4.5%, although reduced rates of 1% and 2.5% apply to certain goods and services. For B2B transactions within the European Union, the reverse charge mechanism can be applied. For B2G contracts, it is not mandatory to include VAT.

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With low personal and corporate tax rates, no wealth or inheritance taxes, and a modest value-added tax (called IGI), the Principality is an appealing destination for entrepreneurs, high-net-worth individuals and retirees. In today's article we explore the main taxes that exist in the Principality.

Andorra offers several types of IGI tax, from a general rate of 4,5% to reduced rates of 1% and super-reduced rates of 0%, which favours the consumption of essential products and critical services. With a tax rate considerably lower than that of neighbouring countries such as Spain, the IGI.

However, it won't exactly be possible since January 1st, 2023: according to the new tax reform, if a company makes a profit, its minimum effective rate for the corporate tax will be 3%. Companies must file a tax return within a month following the six-month period after the end of the accounting.

Nestled in the eastern Pyrenees mountains between France and Spain, Andorra is a small but prosperous country known for its stunning alpine landscapes, robust economy, and high quality of life. Covering an area of 470 square kilometers, it is one of Europe's smallest nations. As of 2024, Andorra's.

Andorran tax law requires businesses involved in both B2B and B2C transactions to register for General Indirect Tax (IGI), which is the equivalent of VAT/GST in the Principality of Andorra. This tax rate is set at a general rate of 4.5%, although reduced rates of 1% and 2.5% apply to certain goods.

Tax rate: 10% General Income Tax Base: Income from employment; Economic



Activities or Real Estate leasings. 0-24,000 €- Exempt. 24,000-40,000 €.- Bonus of 50% (in practice, 5%) As from 40,000 €.- 10% Savings Income Tax Base: Income from financial investments or capital gains tax on financial. What are the taxes in Andorra?

The main taxes in Andorra are: Personal Income Tax (PIT). Corporate Income Tax (CIT). General Indirect Tax (called IGI, equivalent to VAT). Tax on Real Estate Capital Gains. Andorra's great tax advantage over countries such as Spain and France is the non-existence of wealth tax and inheritance and gift tax.

What is VAT rate in Andorra?

In Andorra VAT is better known as IGI or " Impuesto General Indirecto" and the applicable general tax rate is 4.5%. (ii) What is the general tax rate applicable to Personal Income Tax in Andorra (IPRF)?

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Is Andorra a tax haven?

No, technically, it is not: Andorra was officially removed from the OECD blacklist of tax havens in 2011. However and despite having all the basic taxes, the Principality has one of the lowest tax rates in Europe. Thus, the personal income tax is 0—10%, and the corporate tax on companies' profits is 10%. The standard VAT rate is only 4.5%.

What is Andorra's tax system?

Andorra's tax system is governed by a set of laws. Key legislation includes the Personal Income Tax Law (Llei de l'IRPF), established under Llei 5/2014, which outlines progressive income tax rates that remain lower than in most European countries, encouraging individuals to retain more of their income.



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Have their main economic interests in Andorra. Have their primary family interests in Andorra. Tax residents are subject to the Personal Income Tax (IRPF), which is applied ...

Andorra Tax Rates

Andorra's tax rates are fair and competitive. This guide will walk you through personal income taxes, sales tax, Andorra's corporate tax rate and more.



All about Andorra Tax System

In Andorra, unlike other countries, the tax rate of personal income is not progressive but a fixed tax rate, i.e. 10% with the particularities that we ...



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Andorra offers favourable taxation regimes for individuals and companies. The income tax applies only to the annual amount exceeding ...



The Full 2026 Guide to Andorra Taxes

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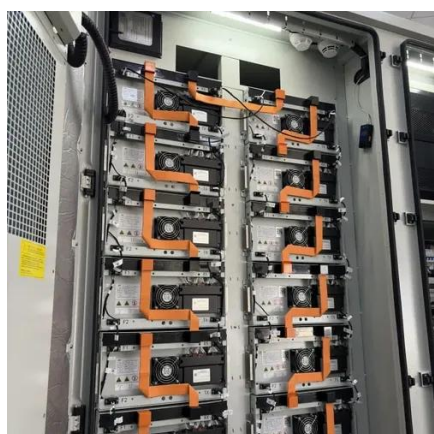
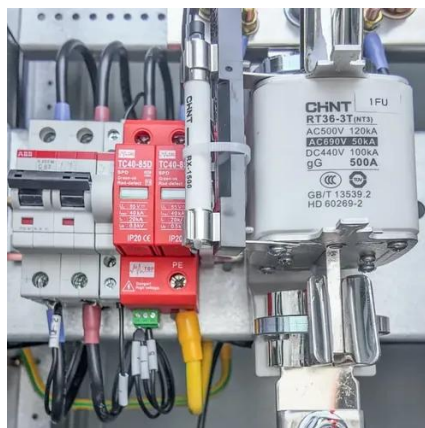
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Solar Manufacturing in Andorra: A Guide to Incentives & Support

Let's talk about one of the standout advantages of Andorra: its incredibly competitive corporate tax system. We're talking a general corporate income tax rate capped at ...



[FULL Guide to All Andorran Taxes \(UPDATED 2025\)](#)

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[IGI Andorra: Learn about the General Indirect Tax](#)

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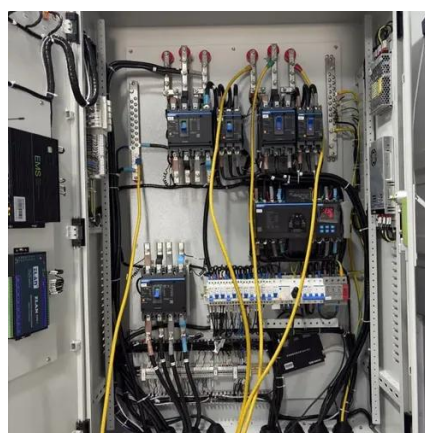


Invoicing and Tax regulation in Andorra

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Andorra Tax System & Rates , Taxes in Andorra

Andorra comes with one of the lowest tax rates in the world. Find out all about the taxation system in Andorra, the new tax rates of IGI, IRPF, IRNR.





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