

Tax considerations for cyclists

Your guide to competing in Europe



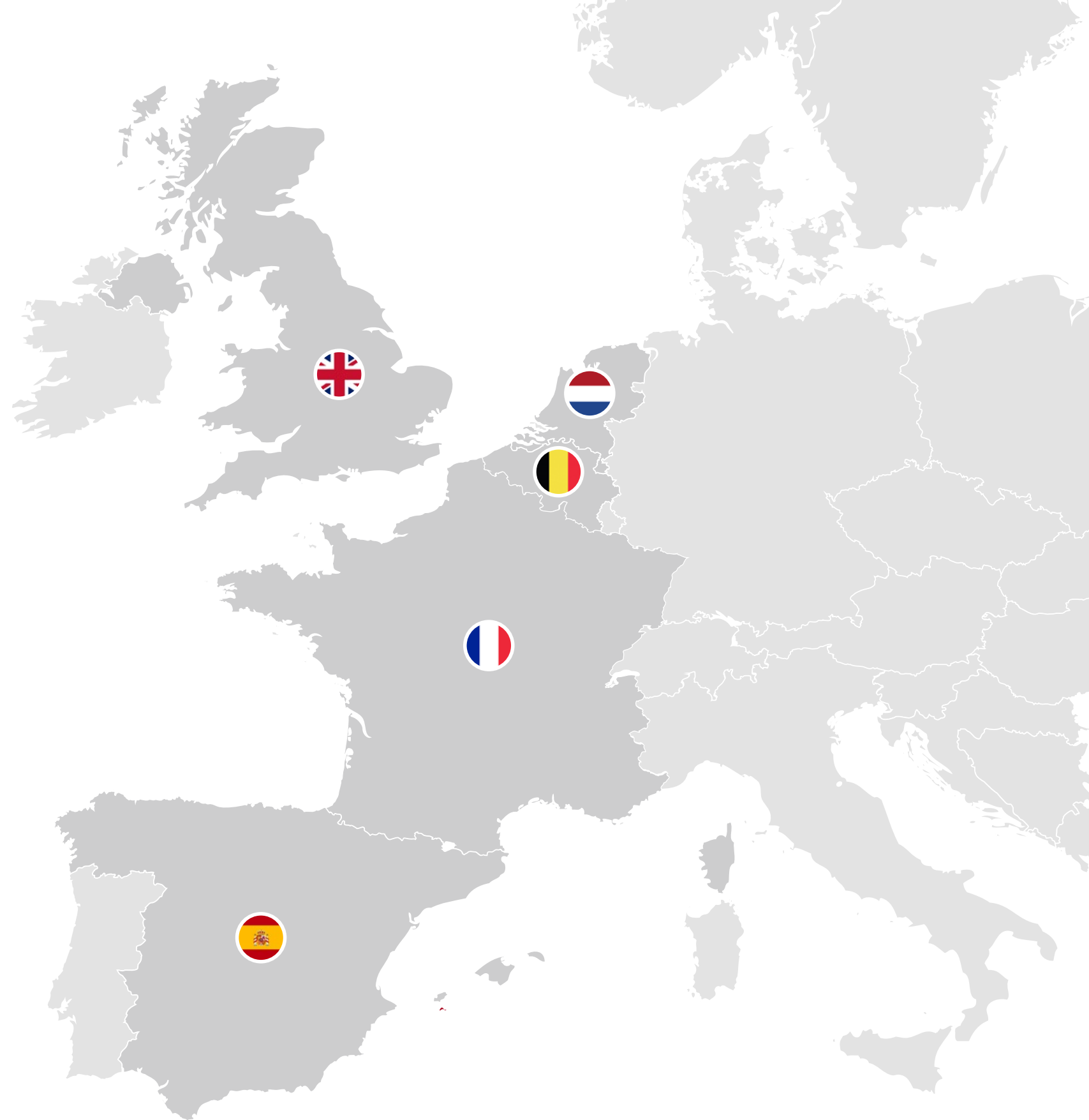
An introduction to our guide

The TCA recently conducted their annual survey, which revealed that 77% of riders sign their contract without any legal advice and that 72% of riders cite financial reasons as their main motive for departing the professional peloton.

Unexpected financial 'surprises' particularly when it comes to tax can add another layer of difficulty to a sport that is already one of the world's toughest. So together with the TCA, leading tax law firm Baker McKenzie, has designed the following interactive guide to empower riders by giving them a better understanding of their own financial situation and enabling them to ultimately improve their economic situation.

This interactive guide provides an overview of the different tax regimes, rates and obligations for riders in the UK, Spain, Belgium, France and the Netherlands.

Please **click on the country you would like to learn more about**, or **see the following page** for an introduction to why tax should matter to you.



Why it's important to know your tax position


The type of tax that professional cyclists will be subject to will typically depend on where they and their team are based and where they are racing. It's important to get this right to avoid potential tax penalties.

Below we have set out the key areas of tax that will be important to you. The rest of the guide will focus on country specifics around these areas.

Please **hover** over each box to see the explanation.



Tax Residence Criteria




Income from Salary



Income from Sponsorship and Endorsements/Royalties and Image Rights



Prize Money



Reporting Obligations and Tax Rates




Reporting Obligations and Tax Rates


Almost all countries that you ride in will require some form of reporting of your income. The tax regimes in some countries use tax years, while others use calendar years. As such, the exact filing dates and procedures to file that are in place will vary from country to country. We include a broad summary of the tax rates prevailing in each of the jurisdictions listed.

Further information and the contact details for the authors in each jurisdiction are included as an appendix.



 Tax Residence
Criteria and
basis of tax


 High level tax
rates and
administration


 Income from
Salary

 Income from
Sponsorship and
Endorsements

 Prize Money

 Royalties/
image rights

 Reporting
Obligations
and Tax Rates

 Please **CLICK**
for who to
contact for a
'live' tax issue
you are facing




Reporting obligations and deadlines

Resident

- Resident income tax return to be filed by end of June (paper filing)/mid-July (electronic filing) in the year following the income tax year
- Tax assessment form usually issued in the spring of the second year following the income tax year.
- Additional tax to be paid/excess withholding tax to be refunded two months after the date on which the tax assessment form is issued.

Non-Resident

- Non-resident income tax return to be filed in the autumn of the year following the income tax year.
- Tax assessment form usually issued in the spring of the second year following the income tax year.
- Additional tax to be paid/excess withholding tax to be refunded two months after the date on which the tax assessment form is issued.

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Royalties/image rights

Resident

- Please see above - **"Income from sponsorship and endorsements"**.

Non-Resident

- Please see above - **"Income from sponsorship and endorsements"**.

 **Tax Residence
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 **Royalties/
image rights**

 **Reporting
Obligations
and Tax Rates**

 **Please CLICK
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Welcome to our country guide.

Please hover over the area of interest opposite to learn more on specific tax issues associated with The Netherlands.

If you have a live tax issue in The Netherlands, or want professional advice, please **please click** on the **Who to Contact** box.



 Tax Residence Criteria and basis of tax

 High level tax rates and administration

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 Reporting Obligations and Tax Rates

 Please **CLICK** for who to contact for a 'live' tax issue you are facing



Reporting obligations and deadlines

Resident

- Despite withholding tax being generally deducted from most income if paid by Spanish residents or entities that operate in Spain (not capital gains), a Personal Income Tax form is submitted on annual basis. Generally, the deadline is June 30 of the following year.

Non-Resident

- Withholding tax/payment on account deducted at source if paid by Spanish residents or entities that operate in Spain
- No withholding tax on capital gains. There is no obligation to file any additional return if tax is paid via withholding.
- If any tax is due because there is no withholding tax or the amount withheld is not enough, there is an obligation to file form 210. Such form must generally be filed within the first 20 days of the month following the end of the quarter in which the income is obtained.
- Tax form 210 can also be used to obtain refunds of withholdings made in excess. In such case, the filing is made as of the month of February of the next year to the one in which the income is obtained.

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Please hover over the area of interest opposite to learn more on specific tax issues associated with The United Kingdom.

If you have a live tax issue in The United Kingdom, or want professional advice, please **please click** on the **Who to Contact** box.

Rates and allowance mentioned in the guide are based on 2020/21 tax year figures and change from time to time. Therefore they may not be up to date for the current year.

Baker McKenzie helps clients overcome the challenges of competing in the global economy.

We solve complex legal problems across borders and practice areas. Our unique culture, developed over 65 years, enables our 13,000 people to understand local markets and navigate multiple jurisdictions, working together as trusted colleagues and friends to instill confidence in our clients.

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