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## **IN VIEW OF THE GOVERNMENT'S AGREEMENT WITH THE CATHOLIC CHURCH WHEREBY THE LATTER RENOUNCES ITS EXEMPTION FROM THE BUILDING, INSTALLATIONS AND WORKS TAX (ICIO) AND FROM SPECIAL TAXES**

The Spanish Catholic Church has reached an agreement with the Spanish Government to start paying two taxes from which it was previously exempt: the tax on Constructions, Installations and Works (ICIO) and the tax on Special Contributions. These tax exemptions are among the many enjoyed by the Catholic Church in Spain, as a result of the 1979 Agreements with the Holy See (the "Spanish concordat").

Europa Laica denounces once again this type of smokescreen that hides more important issues to be solved in Church-State relationships.

Europa Laica reiterates its demand for the denunciation and repeal of the 1979 Agreements with the Holy See as an inexcusable and democratic condition for progress in freedom of conscience and secularism of the State.

Europa Laica, in view of this agreement, puts into consideration the following:

- The need to pay the ICIO has already been addressed a few years ago by the Court of Justice of European Union (sentence ECLI:EU:C:2017:496), questioning its exemption for the Spanish Catholic Church. Just as it happened when the EU regulations prohibited the Spanish Church from being exempt from paying the VAT, this obligation is now announced as an altruistic "renunciation". Therefore, this is not an ecclesiastical renunciation, nor would it be necessary to have the approval of the Holy See - with its "assent", as stated in their press release - but an application of EU law. Again, this is a consequence of the surrender of Spanish sovereignty vis-à-vis the Holy See implied by the 1979 Agreements.
- It would be reasonable and transparent to know the amount that these exemptions from ICIO and Special Contributions tax have represented for the Spanish Church. We would then have an estimate of how much this ecclesiastical "renunciation" sums up. However, it will probably be argued that overall data are not available because these taxes are applied at the local level.
- This agreement is an example of the paradox that "everything must change if everything is to stay as it is", because it serves as a smokescreen to dissimulate other trade-offs in favour of the Spanish Church, such as overlooking the unconstitutional registration of real estate by the Catholic Church, contrary to the initial government commitment, or continuing with the exemption on the property tax for buildings that provide economic returns. This latter issue is also contrary to the pronouncement by EU institutions, which denounced this situation as a possible violation of EU regulations on state aid.

Finally, this new agreement represents the continuation in time of the 1979 Agreements, which still represent the general framework of Church-State relations in Spain. These agreements are shaping state sovereignty on issues related to church funding, tax privileges, the presence of confessionalism in education, etc. These agreements must be denounced and repealed as an unavoidable condition for progress in democracy in a pluralistic society, with respect for freedom of conscience and the secularity of the State. Everything else is a smokescreen.

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