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FREE BREAKDOWN · SALARY · NOV 2026

What €40k a year really looks like in Madrid.

The full math behind the video, with 2026 rules. Profile: single, no children, under 65, permanent contract, tax resident in Madrid. It's an estimate of your yearly tax bill: the monthly amount your employer holds back can be slightly different.

€40,000
gross salary per year

€30,196
take-home per year, after social security and income tax

€2,516
per month in 12 payments (€2,157 in 14 payments)

24.5%
of your gross goes to social security and income tax

From gross to take-home

Gross salary	€40,000.00
Social security (your part): 6.50% 4.70% common + 1.55% unemployment + 0.10% training + 0.15% MEI	−€2,600.00
Fixed deduction for work expenses Every employee deducts €2,000 a year	−€2,000.00
Taxable income Gross − social security − €2,000	€35,400.00
Income tax, national part National scale, with a €5,550 personal allowance	−€3,872.50
Income tax, Madrid part Madrid scale, with a €5,956.65 personal allowance	−€3,331.82
Take-home per year	**€30,195.68**

Then rent

Take-home per month (12 payments)	€2,516
50 m² flat in Madrid €23.4 per m², average asking rent, Oct 2026	−€1,170
Left each month	**€1,346**



What's left covers food, transport, bills and everything else. Under 40? The rent deduction below adds about €103 a month back.

Under 40? Claim the rent deduction

Madrid lets you deduct **30% of your rent, up to €1,237.20 a year**, if you're under 40 and your rent is more than 20% of your taxable income. With €1,170 a month, you get the full €1,237.20 back when you file.

12 or 14 payments?

Many Spanish contracts split the salary in **14 payments**: 12 months plus two extra ones: one at Christmas, the other when your contract says. Same yearly total, smaller monthly amount: €2,157 instead of €2,516.

The "Beckham law"

People who move to Spain for a job can choose a special regime: a **flat 24%** income tax for up to 6 years. At €40k it doesn't pay off: 24% is €9,600, more than the €7,204 above. It helps at higher salaries.

Do this math with any job offer

1. Ask for the **gross yearly salary**, and whether it's paid in 12 or 14 payments.
2. Take away **6.50%** for social security (permanent contract).
3. Take away another **€2,000**, then apply the national and regional tax scales (each region has its own).
4. Look up the average rent per m² in that city and multiply by the size you want.

Found an offer? Make sure it can sponsor you. Spainward finds jobs in Spain that sponsor visas and applies for you. General information, not tax or legal advice: rates change every year, so check the official sources or a tax adviser before you decide.

Sources: Ley 35/2006 del IRPF, consolidated text (boe.es): art. 19 (social security and €2,000 deduction), art. 20, art. 57 (€5,550 allowance), art. 63 (national scale), art. 93 (special regime, 24%) · Decreto Legislativo 1/2010 de la Comunidad de Madrid, consolidated, last updated 10/07/2026: art. 1 (Madrid scale), art. 2 (€5,956.65 allowance), art. 8 (rent deduction for under-40s) · Orden PJC/297/2026 (2026 social security rates), BOE 31/03/2026 · Estatuto de los Trabajadores, art. 31 (two extra payments) · idealista, rental price report October 2026, Madrid city, €23.4/m².

Jobs in Spain that sponsor visas, applied for you
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