

Capitalisation reserve: why it is worth applying even if you expect to distribute dividends

Distribute dividends or save tax? The capitalisation reserve still comes out ahead

With the Corporate Income Tax filing campaign approaching, many companies are once again considering whether it is worthwhile applying the **reduction for the capitalisation reserve**. The question is usually the same: **what happens if, in a few years' time, we want to distribute dividends?**

The answer is clear: in most cases, applying the incentive remains advisable.

The capitalisation reserve allows **the tax base to be reduced by between 20% and 30% of the increase in equity generated during the financial year**, subject to certain limits and requirements. These include **maintaining that increase for three years and allocating a non-distributable reserve for the amount of the reduction applied**.

It is precisely this time commitment that leads some companies to waive the tax benefit. They fear that a future dividend distribution may force them to repay the tax saving obtained. However, this view often overlooks a fundamental advantage: **the incentive operates as very inexpensive tax financing**.

If the company **maintains its equity** for the required period, **the reduction becomes definitively consolidated**. But even if dividends are distributed at a later stage and the requirement is not met, the adjustment is **relatively favourable**. In that case, **the company will only have to pay the tax liability it did not pay at the time**, together with the corresponding late-payment interest, with no surcharges or

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penalties and without the need to file supplementary tax returns.

Seen another way, the company benefits for several years from a **tax deferral at a reduced financial cost**. In 2026, the applicable late-payment interest rate is 4.0625%, a figure well below the usual cost of short-term bank financing.

For this reason, in the face of uncertainty over future profit distributions, the recommendation is usually clear: **apply the reduction whenever possible. If the requirements are ultimately met**, the tax saving will be definitive. And if they are not met, the company will still have benefited from temporary financing on particularly advantageous terms.