



Newsflash

Publication Aruba 2020 tax relief plan on COVID-19

The Aruba tax authority published the tax relief plan for Aruba in connection with the coronavirus pandemic. In this newsflash we will provide you with additional information and the conditions of this tax relief plan.

1. Extension of the statutory payment period of monthly tax resources

Taxpayers with a turnover of less than AFL 1 million per month affected by COVID-19 and carrying out tourism activities such as:

- Casino's;
- Transport and tour operators;
- Bar and restaurants;
- Cafes;
- Security
- Landscaping
- Beauty salons
- Travel agencies
- Car rental;
- Water sports;
- Car wash;
- Perfumery
- Jewelry stores;
- Clothing, shoes and souvenirs companies;
- Laundromat and dry cleaning companies;
- Ground handlers;
- Employment agencies and
- Construction companies,

can upon request receive an extension of payment to pay monthly taxes due related to the months April, May and June 2020.

1. Extension of the statutory payment period of monthly tax resources (continued)

Conditions

The taxpayer must:

- submit a request;
- based on simple reporting requirements towards the tax inspector/collector to demonstrate that there are cash flow problems;
- submit the required monthly tax returns for April, May and June 2020 in time and
- to remit the tax due on resumption of activities in a maximum of 6 instalments.

The aforementioned applies in particular the monthly tax returns:

- Tourist levy;
- Turnover tax and health levy (BBO/BAVP/BAZV)
- Gaming tax;
- Special tax on lodging (BBV) and
- Special tax on the rental of cars and motorcycles (BBVAM).

2. No payment of the Employer's Contribution AOV/AWW for the month of April, May and June 2020

No payment of the employer contribution AOV/AWW for the months of April, May and June 2020 for companies carrying out tourism activities, as described under 1, subject to the condition that entrepreneur submits a payroll summary at the same time as filing payroll tax and social insurance returns with the tax inspector.

3. Extension of the filing and payment deadline of the 2019 corporate income tax due with the exclusion of financial institutions

The deadline for the filing and payment date for the 2019 income tax will be delayed with 6 months with the exception for financial institutions. For entities with a financial year equal to the calendar year, this means until 30 November 2020.

4. Extension of payment of payment arrangements already concluded

Payment arrangements already due in instalments will be suspended by three (3) months from April 2020 to facilitate taxpayers' cash flow.

5. Omission of default fines in the absence, partially or late payment of the tax due

Default penalties for non, partial or late payment of the tax due will be suspended for the months of April, May and June 2020.

6. Suspension of recovery interest

The recovery interest for not paying or partially not paying outstanding (tax) debts will be suspended for three (3) months from April 2020 on condition that the taxpayer concludes a (new) payment scheme.

7. Flex payment arrangements

Affected taxpayers will have easier access to new flexible payment arrangements for all tax and non-tax resources such as income tax, social insurance contributions, corporate income tax, land tax and land lease.

- 24 months for individual tax payments with a minimum amount of AFL 100;
- 24 months for company tax payments with a minimum amount of AFL 500;
- 36 months for pensioner tax payments with a minimum amount of AFL 75.

8. Remediation Policy for payment of outstanding (tax) debts at once

When paying outstanding old (tax) debts at once, the taxpayer can claim the following discounts.

- Assessments with a date until December 31, 2010 - 75% discount.
- Assessments dated 1 January 2011 to 31 December 2014 - 50% discount.
- Assessments dated 1 January 2015 to 31 December 2016 - 30% discount.
- Assessments dated January 1, 2017 to 31 December 2019 - 10% discount.

9. Extending the policy on rate reduction for dividends paid

For the purposes of this policy, dividend also includes: a distribution of profit that comes from a body established outside Aruba with a share capital, insofar as it is charged to a profit reserve present in the company that has been accrued up in the financial years ending no later than December 31, 2019 and which will be paid to the shareholder, resident of Aruba, during the calendar year 2020.

10. Voluntary correction

If a taxpayer or withholding agent still makes a correct and complete declaration, or provides correct and complete information, data or indications, before he knows or must reasonably suspect that one or more officials of the tax authorities are aware or will be aware of the inaccuracy or incompleteness, no fines based on offense will be imposed.

11. Suspension of the (coercion) recovery process

The (coercive) recovery process by

- (i) seizure of wages (read: attachment of wages);
- (ii) seizure of bank accounts (read: attachment by garnishment) and
- (iii) seizure of movable and immovable property will be for three (3) months from April 2020 be suspended.

Service of coercive orders will normally be continued.

12. Audit policy

Book investigations and field audits will be suspended until the end of June 2020 except for tax fraud.

13. Improved services through online filing and payments

Taxpayers can only use the digital channels to submit the (monthly) returns, objections and other documents offering a wider (digital) opening time by the tax authorities.

The use of online declarations and payments is a "must" to reduce personal interaction.

14. Transparent communication

A transparent communication strategy will be rolled out, using "social media" in a more intensive way (read: Facebook, web page and DIMP-APP) to keep taxpayers informed of changing information and to identify and reach the non-taxpayers.

More information

Please let us know if you have further questions and/or would like more information.



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