

Tax Alert

Congress passes Law for the Integration of the Primary and Agricultural Productive Sectors

On 19 November 2024, the Congress of the Republic passed Decree 31-2024 containing the “Law for the Integration of the Primary and Agricultural Productive Sectors,” which establishes simplified special tax regimes as follows:

Regimes

a)

Special regime for the production and commercialization of products of the agricultural and handicrafts sectors produced in Guatemala intended for supermarkets, cantonal markets, municipal markets, collection centers (Primary Regime)

This regime includes individuals or legal entities engaged in the production and commercialization of agricultural products and handicrafts whose sales do not exceed 3,500 minimum wages for the non-agricultural sector.

Applicable rate: 1.5% of gross sales, exporters 2% of gross sales.

Tax period: monthly

Filing date: following calendar month

b) Special regime for the production and commercialization of products of the livestock, hydrobiological and beekeeping sectors intended for supermarkets, cantonal markets, municipal markets, collection centers (Livestock and hydrobiological regime)

This regime includes individuals or legal entities engaged in the breeding and fattening (among other activities) of livestock, hydrobiological and beekeeping products intended for sale in supermarkets and markets.

Applicable rate: 1.5% of gross sales, exporters 2% of gross sales.
Intermediaries of bovine products, 10% of profits

Tax period: monthly
Filing date: following calendar month

Exclusions:
Livestock products deriving from the breeding of pigs and poultry and industrial fishing because they are already regulated by the current VAT law.

Characteristics of the tax regimes

The individuals and legal entities that register under either of these regimes must not charge VAT in their transactions; in other words, the invoices they issue do not generate a right to a credit tax for their customers.

In addition, taxpayers registered under these regimes are exempt from the monthly filing of the VAT return, as well as the monthly, quarterly or annual Income Tax and its creditable taxes (Solidarity Tax).

The individuals and legal entities that register under either of these simplified regimes must file an annual informational tax return in accordance with that established by the Tax Administration.

Obligations

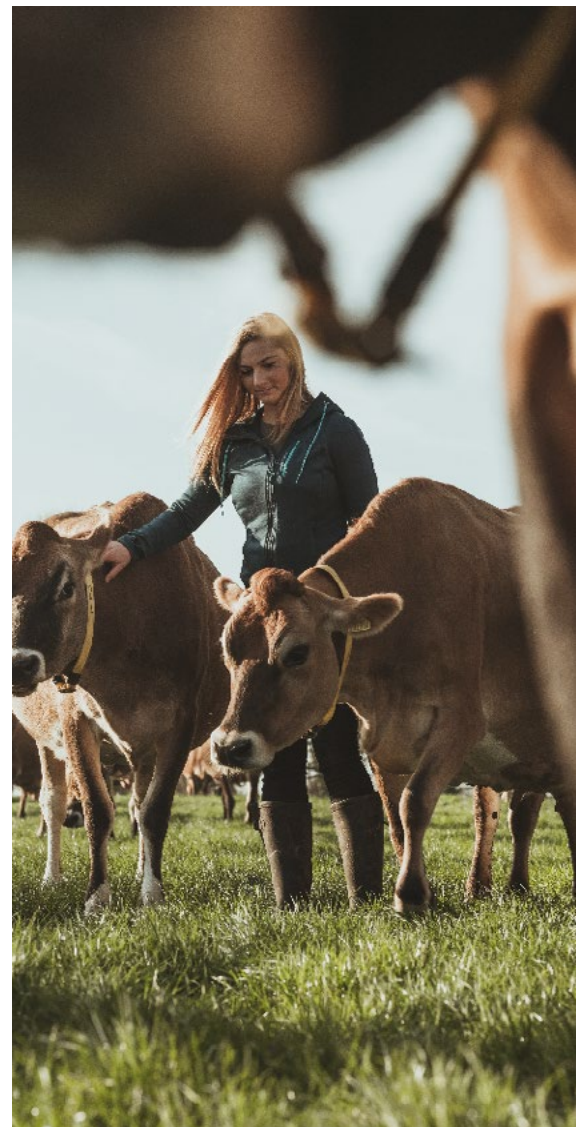
The individuals and legal entities that register under either of these simplified regimes must comply with the following:

1. Be registered in the FEL regime
2. Issue an invoice in all sales they make
3. Keep duly authorized and activated books of purchases and sales

The regulation for this law will be issued by the Ministry of Public Finance in a term of 4 months following the publication of the law in the official gazette.

Effective Date and Publication Pending in the Official Gazette


The law will go into effect four months following its publication in the official gazette. To date, this law has not yet been published.



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