



Law on tax incentives for sports is regulated.



On June 21, Executive Decree No. 35 of 2024 was published in the Official Gazette, that regulates Law 83 of June 5, 2023, through which tax incentives for sports are established.

It should be remembered that with this law, taxpayers will be able to acquire the so-called "sports promotion certificates" from the national sports federations and associations recognized by the Panamanian Sports Institute and the Panamanian Olympic Committee, to use them as tax credits on the income tax caused to be paid in a fiscal period with a limit of up to 1% of their taxable income in said fiscal period.

To obtain these certificates, sports entities must document the sports expenses from disbursements of private funds, according to the requirements of Law 76 of 1976, which will be classified as "*individual private investment*", and which will then be eligible to obtain such certificates up to an amount of 50% of their value.

Subsequently, the federations and associations of which these sports entities are part will submit to the Panamanian Sports Institute the application for recognition of the set of individual investments that will be called "*aggregate private investment*", with which the

certificate will then be approved.

Executive Decree 35 indicates the requirements of the application, which are as follows:

- Certification of the expense by an Authorized Public Accountant
- Invoices in accordance with Law 76 of 1976
- Public Registry Certificate
- Certificate of ownership of the property (when applicable)

The Decree explains the procedure for obtaining it, which consists of the Panamanian Sports Institute having a period of 4 months to prepare an administrative resolution that recognizes the request.

The federation or association will have a maximum time of 3 months to request the certificate in favor of the taxpayers it determines, according to the provisions of Law 83 of June 5, 2023, for which you can review this [Tax Bulletin](#).

Once the certificate is obtained, the taxpayer must submit the application for application to the Tax Incentives section of the General Directorate of Revenue.

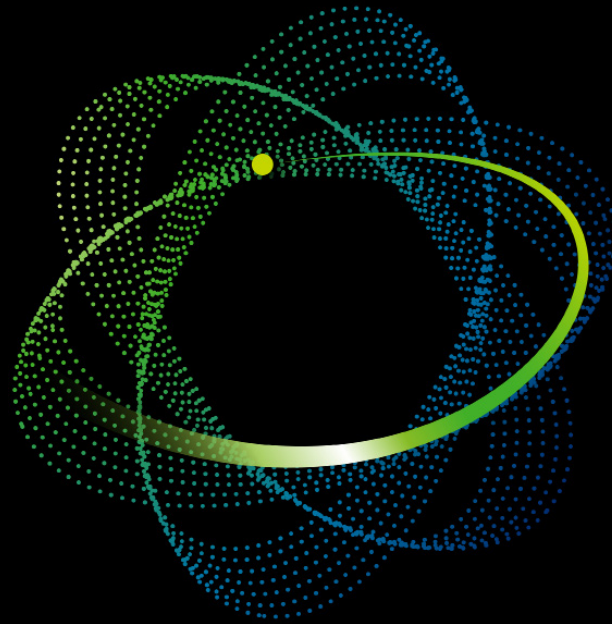
The document clarifies that the sports entity must only use the amount of the certificate for the maintenance of sports facilities and expenses related to the development of the athlete.

On the other hand, the Executive Decree also addresses the creation of an Interdisciplinary Sports Commission to approve the construction and maintenance of infrastructures.

resulting from donations of real estate to sports entities, which according to Law 83 of 2023 will be "*obliged to build a facility to carry out sports activities or related activities with a minimum investment in improvements of up to thirty thousand balboas (B/.30,000.00)*", when these donations occur.

The Decree details how the composition of this commission would be and the functions they would have, which after offering its recommendations to the Panamanian Sports Institute, the latter will issue a resolution recognizing the amount invested.

To read the complete regulations you can enter the following link [Executive Decree No. 35 of 2024](#)



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