



Tax Newsletter

Timely news and information on national tax issues

Best practices for preparing the Annual Report on Income Tax Withholdings (F-910)

I. General aspects

The Tax Code (TC) establishes in article 123 that those taxpayers that have withheld Income Tax from any individual, legal entity or institution, should file the Annual Report on Income Tax Withholdings with the Tax Administration using form “F-910,” thus complying with the specifications detailed in this article.

The Annual Report on Income Tax Withholdings should be sent during the month of January of the year following that in which the Income Tax withholdings were made.

It is important to mention that starting in the 2017 fiscal year, the General Office of Internal Revenue (DGII) made available through its online services the application for the Annual Report on Income Tax

Withholdings (F-910), hereinafter referred to as the “F-910 Report,” which replaced the pre-printed form and the DET application.

II. Main errors in the preparation and filing of the F-910 Report and best practices recommendations for correcting them

The implementation of the new online method of filing the F-910 Report resulted in a series of challenges and issues for taxpayers when preparing the spreadsheet in Microsoft Excel, which serves as a basis for uploading the “CSV” file onto the online platform of the Tax Authorities.

Due to the above, following we list the most common taxpayer errors that have been observed when

preparing the spreadsheet, along with recommendations for correcting such mistakes.

a) Incorrect column widths

In order to prepare the format of the Excel spreadsheet, the default column widths should be respected for each of the entries in the F-910 Report. For such purpose, the Tax Administration has made available the User’s Manual for Uploading Files onto the Annual Report on Income Tax Withholdings F-910, which indicates the required column widths for each item in the report.

Thus, it is important to consider the column widths indicated in the manual so that there are no issues with the “CSV” file when uploading it onto the platform of the Treasury Ministry.

b) Christmas Bonus reported with the incorrect code

The Christmas Bonus is a payment in addition to the wages received by employees at the end of the year. It is an employer’s obligation to pay it (to workers hired as employees).

In order to report in the F-910 Report the Christmas Bonus received by the employees, when such an employment relationship exists, it should be done using the following codes:

Code	Item
01	Services of a permanent nature
60	Services of a permanent nature (Category I of the withholding tables)
80	Services of a permanent nature without social benefit contributions (retirees and pensioners)

Based on the above, the Christmas Bonus should not be reported using a code other than the ones indicated in the table above, for example, using code 11, which refers to services provided by third parties that are not employees.

c) Incorrect or incomplete Tax Identification Number –NIT-

Usually, taxpayers have an extensive database of the parties to whom Income Tax withholdings have been made during the fiscal year, be they employees, occasional service providers (non-employees), or non-domiciled parties, among others. Therefore, it is important to have adequate, updated, and reliable management of the database that includes the name or company name of the party subject to withholdings, as well as the NIT, to avoid having any issues when the database is uploaded onto the platform of the Treasury Ministry.

In addition, sometimes, when the NIT of the party subject to withholdings starts with a zero, the cell of the Excel file tends not to recognize it and the platform reports the error when uploading the file. In such case, this can be resolved by changing the format of the Excel column from “number format” to “text format,” or by placing a leading apostrophe (‘) at the beginning of the NIT.

d) Amounts of social benefit and social security contributions reported are greater than the maximum allowed

The F-910 Report should indicate the monthly social benefit and social security contributions applied to each employee, up to the maximum amount permitted by each law regulating these contributions.

For example, one can only report up to the maximum amount allowed for AFP contributions, which is 7.25%^(*) of the amount earned (remunerations), in cases of employees affiliated with AFP CRECER or AFP CONFIA; or in the case of the IPSFA column, up to a maximum of 6.0%^(*) may be reported.

Likewise, for Social Security, only 3%^(*) of the earned wages may be reported, up to a maximum of US\$1,000. Therefore, in no case can the amount of US\$30.00 monthly be exceeded, since this is the maximum contribution for each employee.

(*) Contribution rates in effect as of the date of this publication.

e) Duplicate NIT entries under codes 01, 60 and 80

The Treasury Ministry's online platform generates the error of duplicate NITs because the same Taxpayer NIT cannot be reported under two or more entry codes indicating employment status, whose codes are the following: 01, 60 and 80.

For example, if during the fiscal year an employee was only subject to Income Tax withholdings for one month of the year, it should be reported in the F-910 Report under code 01 «Services of a permanent nature as an employee», and for the remaining months in which no withholdings were made because earnings did not reach category II of the income tax withholding tables (Executive Decree 95), zero should be entered in the rest of the monthly columns for income tax withholdings.

f) Error in the format settings of the Excel file

This error mainly occurs when converting the Excel sheet to the "CSV" format, since this format is automatically generated and separates the contents of the sheet by using commas (,), when a semicolon (;) should be used instead.

In order to correct this error, you must go to the computer's control panel settings, click on regional and language settings, and select the semi colon (;) as the list separator.

Finally, the changes should be saved and the "CSV" file should be generated again and uploaded onto the Treasury Ministry's online platform.

III. Penalty for formal non-compliance in the filing of the Annual Report on Income Tax Withholdings (F-910)

The tax legislation establishes in article 241 letter e) of the TC a penalty for not filing, late filing, or filing without the specifications indicated in article 123 of this law, the F-910 Report, which could result in a **fine of 0.1% of the equity or shareholders' equity** stated in the balance sheet, which cannot be less than one monthly minimum wage.

Therefore, it is important that taxpayers consider the specifications issued by the DGII when preparing the F-910 Report, as well as the best practices described above, in order to avoid mistakes, delays, or formal non-compliance in the filing of this report.



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Tax Calendar

January 2021

The updated 2021 tax calendar is now available on the Tax Administration's website, which includes public holidays and deadlines for all tax obligations.

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Download the 2021
Obligations Calendar



January 1

New Year's Day public holiday

January 15

VAT

Declaration and payment of the Tax on the Transfer of Movable Goods and the Rendering of Services (F-07)

Financial Income and Transactions

Monthly declaration of Payment on Account, and Tax Withheld on Income, Financial Transactions, and the Special Contribution for Citizen Security and Coexistence (F-14)

Specific and Ad Valorem Taxes

Declaration and payment of Specific Taxes, Ad Valorem Taxes and Special Contribution (F-06)

Other obligations

- Report on Donations (F-960)
- Report on Specific and Ad Valorem Taxes on Producers and Importers of Alcoholic Beverages, Potable Ethyl Alcohol and Beer, Carbonated Beverages, Isotonic Beverages, Fortified Beverages or Energy Drinks, Juices,

Nectars, Soft Drinks and Concentrated or Powder Mixtures for the Preparation of Drinks (F-955)

- Report on Specific and Ad Valorem Taxes on Producers and Importers of Firearms, Ammunitions, Explosives and Similar Items, Producers of Tobacco and Producers, Importers and those that clear fuels through customs (F-988)
- Monthly Report of Sales to Producers, Distributors or Retailers of Tobacco and Tobacco Products (F-956)
- Updating of Address for Receiving Notifications (F-211)
- Statement of Origin and Application of Funds (F-950)
- Report on Authorizations of Accounting Systems, Legal Accounting Books, VAT Books or Records, Certifications and Reports issued on Modifications to Legal Books, Subsidiary Books and Special Records (F-463)

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VAT

Monthly Report on Withholdings, Collections, or Payments on Account of VAT (F-930)

Printing Presses

Monthly Report on Documents Printed for Taxpayers Registered under the VAT (F-945)

CNR

Property and Mortgage Registry: Semi-annual report on the Registration of Real Property

Commercial Registry

Semi-annual report on the Establishment, Transformation, Merger, Dissolution or Liquidation of Companies

Municipalities

- Semi-annual Report on the registration, obtaining of licenses, permits or termination of activities in commercial, industrial, and services establishments or establishments of any economic nature
- Semi-annual report on the Suppliers or Creditors of Movable Tangible Property or Services

Other Obligations

Report of Importers, Distributors, Manufacturers of Vehicles and their Representatives (F-990)

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