

Amendment to Value-added Tax Law



Constituent Decree amending the Value-added Tax Law¹ was published in Extraordinary Official Gazette N° 6396, dated August 21, 2018.

The most relevant aspects contained in the referred-to Constituent Decree are as follows:

¹ Published in Extraordinary Official Gazette N° 6152, dated November 18, 2014.

- 1) *Suppression of item number 4 of article 18 of the VAT Law of 2014, i.e., suppression of the tax exemption applicable to the sale of combustibles derived from hydrocarbons, as well as supplies and additives to improve the quality of gasoline.*
- 2) *Amendment to item number 2 of article 19 of the VAT Law of 2014, which provided for an exemption applicable to the provision of services involving the transportation of goods referred-to in items number 1, 8, 9, 10, 11 and 12 of amended article 18, by replacing the statement with a general exemption applicable to the provision of good transportation services.*
- 3) *Amendment to article 61 of the VAT Law of 2014, relating to luxury consumption goods and services, replacing the limits in prices of goods expressed based on tax units with amounts expressed in US dollars.*
- 4) *Addition of One Derogatory Provision that eliminates item number 3, article 48² of the Organic Hydrocarbons Law³, which provided for a tax on general consumption of gasoline.*
- 5) *The Amendment is effective from the first day of the second calendar month following its publication in Official Gazette; however, according to the full text of the Law reprinted including the Amendment, the effective date is September 1, 2018 (article 70).*

² "Article 48: Without detriment to tax provisions set forth in other local laws, individuals engaged in activities referred-to in this Law (...)
3. **General Consumption Tax.** Per each liter of product derived from hydrocarbons sold in the internal market, between thirty and fifty percent (30% and 50%) of the price paid by the end consumer, where the aliquot between both limits shall be annually set in the Budget Law. This tax to be paid by the end consumer shall be withheld at the supply source for monthly filing with the National Treasury (...)"

³ Published in Official Gazette N° 38493, dated August 4, 2006.

Contacts

Alejandro Gómez R.
algomez@deloitte.com

Ariel Cantillo
acantillo@deloitte.com

Aníbal Veroes
averoes@deloitte.com

Wirlene López
wlopez@deloitte.com

Marketing Department
vmercadeo@deloitte.com

Offices

Caracas

Av. Blandín, Torre BOD,
Piso 21. La Castellana.
Telephone.: +58 (212) 2068502
Fax: +58 (212) 206 8740

Pto. La Cruz

Av. Principal de Lechería,
Centro Comercial Anna,
Piso 02, Ofc. 41, Lechería.
Telephone: +58 (281) 286
7175
Fax: +58 (281) 286 9122

Pto. Ordaz

Av. Guayana, Torre Colón,
Piso 2, Ofc. 1, Urb. Alta Vista.
Telephone: +58 (286) 961 1383
Fax: +58 (286) 962 7234

Valencia

Torre Venezuela, Piso 3,
Oficinas A y D, Av. Bolívar
Norte, Urb. La Alegría.
Telephone: +58 (241) 824
2790
Fax: +58 (241) 823 4119

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