

Important aspects of the Reform Law of Income Tax 2015 are the following:

1. The availability moments of income tax as element of the tax basis are modified. Accordingly, it rules as a main principle of availability the performance of operations. However, three exceptions are established: (i) in case of credit transfers and discount operations whose product recovers in various annuities, it is considered available for the transferee the benefit that proportionally corresponds, (ii) income that correspond to loans granted by banks, insurance companies and other credit institutions is considered available, and (iii) income from work under dependency and gambling earned income are considered available at payment
2. Taxability in the immediate fiscal year is eliminated for expenses caused and not paid.
3. A proportional rate of 40% is applied to net revenues resulting from banking and financial activities of insurance and reinsurance, said revenues obtained by legal entities or institutions domiciled in the country.
4. The chapter related to discounts for new investments is eliminated.
5. At the moment of payment or credit to account (what happens first) the withholding agent must perform the withholding.
6. It is understood as credit to account any amount that payers or debtors add to their books or records.
7. Taxpayers qualified as special by the Tax Administration are excluded from the inflation readjustment system. The Tax Administration will dictate guidelines which regulate the book adjustments that taxpayers should perform in order to eliminate the adjustment based on inflation, and
8. It must be established in the tax returns of the estimated fiscal years after this Law came into effect, the previous year revenue, excluding the effect of the tax inflation.

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