

Tax exemption on primary agricultural, forestry, livestock, poultry, fishing and aquaculture activities



Decree N° 2287 was published in Official Gazette N° 42.873 dated March 28, 2016, for the purpose of exempting from income taxes, Venezuelan-source net income from primary agricultural, forestry, livestock, poultry, fishing and aquaculture activities, obtained by individuals and legal entities domiciled in the country.

This exemption shall be in effect from January 1, 2016 to December 31, 2018

Los aspectos más relevantes del Decreto son los siguientes:

1. Exempted Income

Net income from territorial source obtained by individuals and legal entities domiciled in the country dedicated to the aforementioned primary activities. In connection therewith, primary activities refer to the production of goods obtained from nature provided that they have not been subjected to processing or industrialization processes.

2. Exemption conditions

The benefit provided by Decree N° 2287 is subjected to the following conditions:

- a) 100% of the Income Tax that would correspond to the individuals and entities benefited with the tax exemption shall be allocated to direct investments on research and improvement of productivity indices for the Activities. Such allocation shall be made during the tax period after exempted income was generated.

For the calculation of the amount of the investment, the taxpayer shall consider the annual global income obtained in the corresponding period.

Taxpayers performing more than one of the activities mentioned in Decree N° 2287 shall proportionally distribute the amount of the investment among such activities.

3. Formal Duties

3.1. Sworn Statements

Beneficiaries of the exemption provided by Decree N° 2.287 shall submit the following sworn statements:

- i. Sworn statements relating to the detail of amounts invested during the previous tax period; and, the estimated investment of exempted tax for the following tax period. Such statement shall be submitted before March 31, each year.
- ii. A sworn statement of the amounts invested. Such statement shall be submitted within 15 working days following the investment
- iii. A sworn statement indicating the investments made during the 2015 tax period as well as the investment plan for 2016 tax period. Such statement shall be submitted within 30 days following the publication of Decree N° 2287.

3.2. Other Formal Duties

- a. Update the data of the Fiscal Information Registry (RIF).
- b. Record the information relating to income, costs and expenses corresponding to the activity in a numbered book in a consecutive and sole manner, or in electronic records, being such entries backed-up in automated systems.
- c. Observe any provision ruled regarding the issuance of invoices and other documents.
- d. Cumplir con todas las obligaciones y deberes formales exigidos en la Ley del Impuesto Sobre la Renta y su reglamento. Comply with all the obligations and formal duties required by the Income Tax Law and its Regulations.

4. Pro-rata determination of costs and expenses

Beneficiaries performing any of the income tax exempted activities shall proportionally distribute among its activities, the costs and deductions related to income generated.

Any loss generated by virtue of the exempted activity shall not be attributed to income generated by taxed activities in any tax period.

Contacts

Alejandro Gómez
algomez@deloitte.com

Burt Hevia
bhevia@deloitte.com

Enrico Giganti
egiganti@deloitte.com

Departamento de Mercadeo
vmercadeo@deloitte.com

Offices

Caracas
Avda. Blandín, Torre B.O.D,
Piso 18. La Castellana.
Teléfono +58 (212) 206 8502
Fax +58 (212) 206 8740

Pto. La Cruz
Avda. Principal de Lechería,
Centro Comercial Anna,
Piso 02, Ofic. 41, Lechería.
Teléfono +58 (281) 286 7175
Fax +58 (281) 286 9122

Pto. Ordaz
Avda. Guayana, Torre Colón,
Piso 2, Ofic. 1, Urb. Alta Vista.
Teléfono +58 (286) 961 1383
Fax +58 (286) 962 7234

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

For more information www.deloitte.com/ve



Deloitte se refiere a una o más de las firmas miembros de Deloitte Touche Tohmatsu Limited, una compañía privada del Reino Unido, limitada por garantía, y su red de firmas miembros, cada una separada legalmente como entidades independientes. Por favor visite www.deloitte.com/about para una descripción detallada de la estructura legal de Deloitte Touche Tohmatsu Limited y sus firmas miembros.

Esta publicación contiene exclusivamente información general y ninguna entidad de Deloitte Touche Tohmatsu Limited, sus firmas miembros o entidades relacionadas (colectivamente, la "Red Deloitte"), por medio de esta publicación da asesoramiento profesional o de servicios. Antes de tomar cualquier decisión o ejercer cualquier acción que pueda afectar sus finanzas o negocio, Ud. debe consultar un profesional experto. Ninguna entidad en la Red Deloitte será responsable por cualquier pérdida sustentada por cualquier persona que se refiera a esta publicación.

© 2016 Lara Marambio & Asociados RIF J-00327665-0

© 2016 Gómez Rutmann y Asociados Despacho de Abogados RIF J-30947327-1