

COVID-19 TAX MEASURES ANNOUNCED BY THE GOVERNMENT

MARCH 2020

The Chilean Government has recently announced the following tax measures aimed to relieve taxpayers affected by the COVID-19 crisis:

1. Suspension of the Corporate Income tax monthly advance payments for the next three months, regardless the size of the company.
2. Postponement of the VAT payment for the following three months for all companies, which sales revenues are below USD 11,6 million approximately. Such VAT payment may be fulfilled in twelve monthly installments without interest.
3. Postponement of the Corporate Income tax payment owed by small and medium companies (ie, which revenues are below USD 3.3 million approximately), calculated pursuant to their Annual Income Tax return to be filed in April 2020.
4. Postponement of the Real Estate tax installment due in April 2020. This measure will benefit those companies which sales are below USD 11.6 million as well as individuals owning properties with a tax assessment lower than USD 155,000. The April Real Estate tax installment may be paid at any time during the current year without interest.
5. Transitory reduction of the Stamp tax to 0% for all loan transactions to be executed during the following six months.
6. Relief measures in connection with tax debts owed by small and medium companies and low-income persons, such as:
 - i) Flexibility to enter into debt-payment agreements with the Chilean Treasury, without interest or fines; and
 - ii) Temporary suspension of judicial collection actions and auctions for tax debts.
7. Deduction of all expenses incurred by companies in connection with the COVID-19 crisis.
8. Flexibility of the deadlines for filing the tax sworn statements relating to the 2019 commercial year tax return due next April.



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