

APRIL 2020

COVID-19: PUBLICATION OF TAX RELIEF MEASURES

On April 1, 2020, Decree No. 420 was published, regulating some of the tax measures recently announced by the Government in order to try to relieve taxpayers affected by the COVID-19 crisis.

These measures are:

Postponement of VAT payments corresponding to the next three months, applicable to all companies with revenues below USD 11.6 million approx. (including the revenues of their related companies), which will be due in 6 interest-free monthly installments for those companies with revenues between USD 2.4 million and USD 11.6 million approx., and in 12 interest-free monthly installments for companies with revenues under USD 2.4 million approx.

2. Postponement of the Real Estate tax installment due in April 2020. This measure will benefit those companies with revenues under USD 11.6 million approx. (including the revenues of their related companies) as well as individuals owning properties with a tax assessment lower than USD 150,000 approx. The postponed installment shall be paid in three equal interest-free installments payable on the same due dates of the remaining installments corresponding to 2020.

3. Relief of the Corporate Income Tax monthly advance payments for the next three months regardless of the size of the relevant company.

4. Anticipation for April 2020 of the Income Tax refund due to individuals and companies with revenues of up to USD 2,4 million approx.

5. Postponement, until July 2020, of the annual Income Tax return and payment for companies with revenues of up to USD 2,4 million approx.

6. Forgiveness or reimbursement in April 2020, as applicable, of independent workers income tax withholdings made for the months of January and February of 2020.

7. Relief measures in connection with tax debts of companies with revenues of up to USD 11.6 million approx. (including the revenues of related entities), and of individuals with revenues of up to USD 50,000 approx.

8. Postponement until July 2020 of the deadline to check the box for the different tax regimes established in the Income Tax Law.

9. Empowering the Chilean IRS and the Chilean Treasury to grant partial or total forgiveness of fines and interest in relation to the late submission and/or payment of income tax returns and real estate taxes, until September 30, 2020.



Eugenio Besa
Partner, tax.
ebesa@moralesybesa.cl



Jaime Rosso
Senior associate, tax.
jrosso@moralesybesa.cl