



Responding to COVID-19: Tax Measures – AMERICAS

Information as of March 23, 2020

Brief description of new tax measures/policies adopted so far by countries within the Americas, arising from the Coronavirus Pandemia.

Consider that tax measures and policies are being implemented and/or updated on a daily basis, and this document will be amended accordingly, as long as we receive such information from countries within the Americas.

Tax Measures arising from COVID-19: AMERICAS

Country	Government prepared /implemented new tax policies as a consequence of COVID-19		If YES		
	Yes	No	Pending implementation	Already in-force	Brief description of new measures
Argentina	X		X	X	<p>*Deferment of current due dates for tax returns and fiscal requirements in all jurisdictions, up to March 31, 2020. This does not include extension on regular deadlines previously established.</p> <p>*Special considerations for the Health industry, like exemption of import duties for medical supplies and vaccines.</p> <p>*Exemption of Social Security taxes for certain companies engaged in activities particularly affected by the Covid 19 pandemic like hotels, restaurants, etc.</p> <p>*Review levels of export rights for products that have suffered a significant decrease in their stock exchange markets.</p> <p>*Implement a single fiscal account.</p> <p>Pending implementation:</p> <p>*Implement payment options of tax obligations for cases of business declines.</p> <p>*Suspend all precautionary measures affecting liquidity and business working capital.</p> <p>*Delay deadlines to register in the default payment plans for SMEs and those corresponding to the foreign income repatriation regime.</p> <p>*Special treatment to avoid expiration of payment plans.</p> <p>*Simplify conditions for registering in current plans, regarding deadlines and advance payments.</p>

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Bolivia	X		X		<p>*Payment of Corporate Income Tax and Personal Income Tax are postponed for 30 days.</p> <p>*Installments established to pay Corporate Income Tax</p> <p>*Cash donations made until December 31, 2020 to hospital centers will be deductible for the CIT</p> <p>*Independent professionals could consider deduction of the VAT on the purchase of food, the contracting of health and education services of their direct family nucleus.</p> <p>*The VAT actually paid will not be included in the tax base of the Transaction Tax.</p> <p>*The process deadlines are suspended.</p>

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Brazil	X			X	<p>*Postponement of federal taxes which are due for small companies that opt for a simplified tax scheme.</p> <p>*Postponement of administrative actions (by tax authorities) related to delayed in the payment of debts by taxpayers.</p> <p>*Partial exemption for import of products necessary to face the COVID-19.</p> <p>*Suspension of the payment of pensions for three months (regarding March, April and May). The due amount will be paid by employers in up to 6 installments as from July-2020 onwards.</p> <p>*Implementation of flexible shifts of work (home office), as well as the possibility to anticipate vacation and usage of the compensatory time off.</p>

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Canada	X		X	X	<ul style="list-style-type: none"> *Deferral of the filing due date for the 2019 tax returns of individuals, including certain trusts. * Deferral of the exigibility of payments of income tax amounts owing during a certain period for individuals, trusts and corporations. * Modification of the eligibility conditions to the Employment Insurance sickness benefits * Creation of an income supplement for certain workers and parents * Reducing the required minimum withdrawals from Registered Retirement Income Funds. * Special subsidy grant to small businesses to help them keep their employees. * Some provinces have also implemented new tax policies as a consequence of COVID-19.

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Chile	X			X	<p>*Suspension of monthly provisional payments (PPM). PPM to be paid in April, May and June.</p> <p>*Postponement of VAT payment for the next 3 months for all companies with sales of less than US \$ 11,750,000. VAT to be paid in April, May and June.</p> <p>*Postponement of payment in 6 or 12 installments (second option). Fees begin to be paid from July.</p> <p>*Postponement until July 2020 of the payment of income tax for SMEs (medium and small companies).</p> <p>*Postponement of April tax payments for companies with sales of less than US \$ 11,750,000.</p> <p>*Transitory reduction of stamp duty and stamps to 0% for all credit operations during the next 6 months. As of April.</p> <p>*Relief measures for the treatment of tax debts with the General Treasury of the Republic. As of April.</p> <p>*All the expenses of the companies associated with facing the health contingency will be accepted as a tax expense.</p>

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Colombia	X			X	<p>*For companies dedicated to the hotel and tourism, deadlines for the payment of Income Tax are modified.</p> <p>*Changes in the deadlines for the payment of surcharges to financial sector entities.</p> <p>* Extension in terms of tax normalization benefits.</p> <p>* All the procedures that must be carried out in the tax administration will be virtual.</p> <p>*Suspend procedural times for a specified term.</p> <p>*0% ad-valorem tariffs on products NMF.</p> <p>*Authorization to develop free zone activities outside the granted territory.</p>

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Costa Rica	X			X	<p>*A proposition was introduced into the legislative agenda which establishes special regulations for different kinds of Costa Rican taxes: Value Added Tax (VAT), Income Tax, Customs Tariffs and Selective Consumption Tax.</p> <p>*For VAT, two special regulations are proposed: First, to issue a moratorium for the months of March, April and May 2020. Taxpayers will always be required to file their respective VAT Returns, but, as a benefit of the moratorium, they will be able to pay those tax obligations until December 31, 2020, with no penalties. Secondly, this project would establish a VAT exemption on commercial leases, only for the months of April, May and June 2020.</p> <p>*Regarding Income Tax, it has been proposed to exempt the payment of the corresponding income tax advances during the months of April, May and June of the year 2020.</p> <p>*As for current customs tariffs, as well as for the selective consumption tax, it is also proposed to issue a moratorium, but for the months of April, May and June 2020, being able to make its payment until December 31, 2020. Also, taxpayers are always subject to file their corresponding returns for those taxes. Likewise, as would also happen in the moratorium provided for VAT, in the case of tariffs and the selective consumption tax, those who pay their obligations after December 31, 2020, would be subject to surcharges for interest and penalties.</p>

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Curazao		X			

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Ecuador	X		X		<p>*In-force, since April 1st. will be incremented many income taxes withholding on 0,75%.</p> <p>Examples: Withholding on movable goods purchases 1,75% (before 1%); Withholding on services purchases 2,75% (before 2%).</p>

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El Salvador	X			X	<ul style="list-style-type: none"> • Taxpayers whose tax payable is less than US\$ 5,000, would have have an extension of 30 days to present the income statement (normally presented on April 30th) and can divided in 8 monthly payments (normally 6) without interest nor fines to be applied. • The monthly payed income tax advances (1.75%) for the periods of March, April and May are extended for 3 months • For Tourism industry: Legal or natural person whose income tax are calculated below US\$ 25,000, have an extension of 30 days to pay without interest nor fines to be applied. The 5% contributions for tourism activities are suspended • Total exemption of taxes for donations made to the state to attend the COVID-19 outbreak.

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USA	X			X	<ul style="list-style-type: none"> * IRS Provides Limited Tax Payment Deferral from April 15 to July 15 for Individuals and Certain Businesses * IRS Also Extends Tax Return Filing Due Date from April 15 to July 15 as well, for Individuals and Businesses (announced March 20th) - Link * New Coronavirus Legislation Includes Expansion of Mandatory Paid Leave and Payroll Tax Credits for Employees - Emergency legislation enacted in response to COVID-19 includes paid leave for employees and payroll tax credits for employers. - Link * US State Income Tax Filing and Payment Extensions and Guidance for Coronavirus Pandemic: US States are granting extensions of time for filing and payment of state income taxes. (link to AICPA web site accumulating the state income tax guidance-not a Crowe site) * Predeductible COVID-19 Care Permitted in High-Deductible Health Plans High-deductible health plans (HDHPs) can provide medical care associated with testing for and treatment of COVID-19 prior to satisfying the plan's deductible, per IRS relief (Notice 2020-15) pending further guidance. Link * New Covid-19 Tax Relief Bill. US Congress is also currently working on a new US Taxpayer Relief Bill related to Covid-19 - we should have more information on early next week. Click for Broader overall considerations related to the Coronavirus developments earlier this week.

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Guatemala		X			

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Honduras		X			

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Mexico		X			Relief rules are about to be released in the next few days and they are supposed to allow several measures to help corporations on tax payments other than withholding taxes.

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Paraguay	X			X	<p>*Automatic financing of taxes with due date on March and April. Financing consists of a 20% payment and five installments with no interest. Likewise, no breaches, interest, surcharges or fines will be charged for the delays in payments.</p> <p>*Banks have decided not to charge installments corresponding to March, April and May, moving them to the end of the financing plan of loans, also with no interest or surcharges.</p> <p>*Different measures for SMEs are being analyzed, as well as Social benefits for less favored individuals and those informal workers affected by this situation. Also, payment of social security charges is also under analysis, to try to suspend them without this meaning the loss of the contributors' rights.</p>

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Peru	X			X	<ul style="list-style-type: none"> *Extensions of tax filings and payments already in force. *Release of funds from tax deductions. *Discretionary application of sanctions. *Extension up to June of tax filings for individuals with earnings not greater than PEN 9.6 million (Some USD 2.7 million). *Flexibility for fraction, deferment and refinancing of tax debts

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Puerto Rico	X		X		<ul style="list-style-type: none"> * Currently receiving support from the US. Small Businesses Administration is offering loans with low interest rates and reasonable terms. * Capital city is drafting a project to send two payments of approximately USD 1,000 to every residence - income limits are so high that it is possible that almost 95% of all residences will get such payments. There is also another project being developed to reduce temporarily taxes at federal level, like Social Security and Unemployment. * At local level, discussions are held to temporarily eliminate sales tax on products arriving at docks (almost all products), eliminate sales tax on ready meal and postpone filings of income tax, among others. * At a higher level, an emergency fund is being created of USD 160million to help small businesses, and an investment of USD 55million to promote tourism industry, which was going through a recovery process after being affected by a high earthquake season.

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Uruguay	X			X	<p>*The taxpayers included in subsection e) from article 52 of Title 4 (small companies) may pay the Minimum VAT corresponding to the months of February and March 2020, in six equal installments, consecutive and without interest as from May 2020. The expiration established for March 2020 was postponed until May 2020.</p> <p>* Tax payments of the CEDE and NO CEDE companies corresponding to the month of February were extended until Friday, March 27. Public companies are exempted from this extension.</p> <p>*The payment to Banco de Prevision Social (BPS) of companies included in the single-tax regime (<i>Monotributo</i>) and the contributions of owners and partners of personal companies are deferred, corresponding to the months of payment April and May. The 60% of the contribution will be paid in 6 installments starting as of June, while the remaining 40% will be paid by the State.</p>

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Venezuela		X			



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