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Tax Code Reform 2024

MARCH 2024



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On February 28 of this year, the Legislative Assembly approved a legislative decree containing amendments to articles 114 paragraph 2) literal a) and 7) literal b), as well as 119-G Roman VII literal b) of the Tax Code.

The purpose of this reform is to standardize the requirements established in articles 114 and 119-G of the Tax Code; regarding the requirements for identification of Taxpayers that facilitate and equalize the application of the different invoicing modalities.

Among the changes included in this reform are the following:

1. Article 114 paragraph 2) literal a) modified the amount from which the formality of including the names, signatures and DUI number of the person who delivers and receives the issued Tax Credit Vouchers must be complied with; previously the amount was \$ 11,428.57; as of the reform the amount will be \$ 25,000.00,
2. Articles 114, paragraph 7) literal b) and 119-G roman VII literal b), were approved, both articles establish the following as a requirement for invoices to be issued
 - a. Indicate on the original and copy of the invoices issued the name, denomination or company name of the purchaser of the goods or of the service provider,
 - b. When the invoice is used to document costs or expenses deductible for income tax purposes or when the amount of the transactions is equal to or greater than \$ 25,000.00, the NIT or DUI number of the purchasers or borrowers, as the case may be, must be stated. This requirement is applicable to any multiple operation or transaction carried out with the same subject on the same day or within ten calendar days and the accumulated amount of such operations is equal to or exceeds \$ 25,000.00.

In order to comply with this reform, the following should be taken into account:

1. Continue to comply with the formal obligation mentioned above, considering the new amount from which the obligation arises,
2. Keep control of customers to whom several invoices or tax credit vouchers are issued in one day or within 10 days, in order to comply with the aforementioned obligation for accumulated transactions exceeding \$25,000.00.

The decree will be in effect eight days after its publication in the Official Gazette.

FOR MORE INFORMATION

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