



TAXES IN AMERICA


2024

6th EDITION

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Guatemala




 **Capital city:**
Guatemala City


 **Aera:**
108,890 km²

 **Population:**
18,218,938

 **Language:**
Spanish

 **Political system:**
Presidential republic

 **GDP/capita 2023:**
USD 10,822

 **Currency:**
Quetzal (GTQ)

 **ISO Code:**
GTM

 **Telephone code:**
+502

 **National day:**
15 September

PRELIMINARY NOTE

Jurisdictional principle

The rule of law extends to every person, either national or foreign, resident or in transit, except for the provisions of international law accepted by Guatemala, as well as the entire territory of the Republic, which includes the soil, the subsoil, the terrestrial maritime zone, continental shelf, economic zone of influence and airspace, as defined by laws and international law.

Criteria for determining the residence of a natural or individual person

When any of the following circumstances occurs:

- Remains in national territory for more than 183 days during the calendar year, between 1 January and 31 December, even if it is not continuously;
- Their center of economic interests is located in Guatemala, unless the taxpayer credits his residence or tax domicile in another country, through the corresponding certificate issued by the tax authorities of that country.

Criteria for determining the residence of a legal person, entities or patrominies

Legal persons, entities or assets that meet any of the following situations are considered residents of the national territory:

- That they have been constituted in accordance with the laws of Guatemala;
- Have their registered office or fiscal office in national territory; and
- That they have their headquarters of effective management in the national territory.

It is understood that a legal person entity or estate, has headquarters of effective address in national territory, whenever the direction and control of their activities is carried out therein.

1. Income tax

1.1 Who is obligated

Individual (physical), legal (moral), entities or assets, whether national or foreign, resident or not in the country.

Entities or real estate: trusts, joint ventures, co-ownership, communities of assets, irregular companies, de facto companies, commission of trust, business management, undivided hereditary assets, branches, agencies or permanent or temporary establishments of foreign companies or persons operating in the country and productive or economic units having assets and generating income.

The following are subject to income tax, any income obtained throughout national territory, according to the following categories:

Income from lucrative activities

Among others, this includes income from:

1. Civil, construction, real estate, commercial, banking, financial, industrial, agricultural, livestock, forestry, fishing, mining or other natural resource exploitation activities and others not included.
2. The provision of public or private services, including the supply of electricity and water.
3. Telephone, telecommunications and computer services and the transport of persons and goods.
4. The production, sale and marketing of goods in Guatemala.
5. The export of goods produced, manufactured, processed or marketed, including the simple remittance of such goods abroad by means of agencies, branches, representatives, purchasing agents and other intermediaries of individuals, legal entities, entities or estates.
6. The provision of services in Guatemala and the export of services from Guatemala.
7. The exercise of professions, trades and arts, even when these are exercised for non-profit purposes.
8. Per diems, commissions or travel allowances not subject to liquidation or which do not constitute reimbursement of expenses, representation expenses, bonuses or other remuneration, obtained by members of boards of directors, boards of directors, municipal councils and other boards or executive or consultative bodies of public or private entities paid or credited by persons or entities, with or without legal personality resident in the country, regardless of where they act or meet.

Profitable activities are understood to be those that involve the combination of one or more factors of production, for the purpose of producing, transforming, marketing, transporting or distributing goods for sale or the provision of services.

Income from work

Those coming from all kinds of consideration, retribution or income, whatever their denomination or nature, deriving from the personal work provided by a resident in a dependency relationship (with an employment contract), developed abroad.

Capital income and capital gains

Capital income

- **Real estate capital income:** Lease, sublease, as well as the constitution or transfer of rights or powers of use or enjoyment of real estate, provided that its usual purpose is not to trade with said assets or rights.
- **Income from chattels capital:** Income from chattels capital, the following:
 - › Interest paid or credited and income in cash or in kind from loans of any nature, with or without a clause to participate in the debtor's profits.
 - › It does not constitute income from chattels capital, when within its normal line of business, the taxpayer grants credits, and must pay according to the regime for income from lucrative activities;
- Interest or income paid by persons, entities, assets or resident entities or permanent establishments located in the country;
- Lease, sublease assignment of rights of tangible and intangible assets, rights of key, royalties, copyrights. Provided that they are not of the usual business direction, since if so, they must be taxed according to the regime of lucrative activities. It does not constitute income from chattels capital, when within its normal line of business, the taxpayer grants credits, and must pay according to the regime for income from lucrative activities;
- Life or temporary income for capital investments. Conditional donations.
- Income derived from insurance contracts;
- The distribution of dividends and profits.

Capital gains and losses

- The results of any transfer, assignment, purchase-sale, swap or other form of negotiation of goods or rights, made by persons, entities or as-

sets whose usual purpose is not to trade with said assets or rights;

- Also constituted by the following:
 - › The amount of the revaluation of the assets that make up the fixed assets of the persons required to keep accounts in accordance with the Commercial Code;
 - › The increase in equity arising from the alienation of rights or assets affected to activities producing taxable income, accounted for in the books, including those made in connection with the total or partial liquidation of the activity;
- There is no capital gain or loss in the following cases:
 - › The division of the common thing.
 - › The liquidation of the conjugal estate.
 - › The contribution to a guarantee trust or to a testamentary trust and the return of the contribution.
 - › Capital reductions for the return of contributions, not including retained earnings not distributed.
 - › The revaluations of assets that are made by simple accounting items; when these assets are sold, the difference between the value of the sale and the book value of said assets prior to the revaluation, affects the tax.
 - › The following are not considered capital losses:
 - a. Those not justified.
 - b. Those due to consumption.
- Those that are derived from shares, securities or securities issued by resident persons or entities, from chattel assets other than shares, securities or securities, or rights that must be fulfilled or exercised in Guatemala.

1.2 Determination of the tax base

In the particular case of income from lucrative activities, taxpayers can choose to pay taxes on profits or through the simplified optional regime on income.

Capital income and capital gains are taxed separately in accordance with the specific rules of this category.

Regime on the profits of lucrative activities

Taxpayers determine their taxable (payable) income by deducting total costs and expenses, as well as exempt income, from their gross income. To the difference thus determined, they must add the costs and expenses of exempt and non-deductible income.

Gross income

Set of income and benefits of all kinds, either taxable or exempt, customary or not, accrued or received in the liquidation period, by sales of goods or services and other lucrative activities.

Also, income from exchange gains in foreign currency purchases and those originated from revaluations, restatements or re-measurements in foreign currency that are recorded by simple accounting items.

The benefits originated by the collection of compensation in the case of extraordinary losses suffered in the fixed assets, in the amount of compensation exceeding the book value of the assets.

Costs and deductible expenses

Those that are either useful, necessary, pertinent or essential to produce or preserve the source of taxed income.

In order to write off costs and expenses, the following requirements must be met:

- For those required to keep complete accounting, must be duly accounted for;
- The holder of the deduction must have complied with the obligation to withhold and pay the tax, when applicable;
- In the case of salaries and salaries, when those receiving them are included in the social security contributions submitted to the Guatemalan Social Security Institute, when appropriate;
- Have the supporting documents and means, understanding these as:
 - Invoices and invoices of small taxpayer;
 - Invoices or documents, issued abroad;
 - Testimony of public deeds authorized by a notary, or the protocol-formalized private contract;
- Cash receipts or debit notes, in the case of expenses charged by the entities monitored and inspected by the Superintendency of Banks;
- Forms submitted to the Guatemalan Social Security Institute and the receipts that it extends, wage books, payroll, in the cases of salaries, wages

- or labor benefits, as applicable;
- Customs importing filing with authorized proof of payment, in the case of imports;
- Special invoices; and
- Others authorized by the tax administration.

For some deductible expenses, the law establishes some limits for its deduction, such as, for example, compensation, uncollectible accounts, travel expenses, donations, fees abroad.

Simplified optional regime on the profits of lucrative activities

Taxpayers who sign up for this regime, determine their taxable income (payable) by deducting exempt income from their gross monthly income.

Work income in dependency ratio

Gross income, the sum of taxable and exempt income, obtained by the worker in the annual settlement period; and net income, as the difference between gross income and exempt income.

The taxable income of the workers is determined by deducting from the net income the following expenses:

Concept	Spending
Personal expenses without the need for any verification.	GTQ 48,000.00
The Value Added Tax (VAT) paid in personal expenses, for purchase of goods or acquisition of services, during the annual period. This amount is subject to the filing of a return in the month that must be presented within the first 10 business days of January of the following year and will depend on the amount that the worker accumulates, up to a maximum of GTQ 12,000.00	GTQ 12,000.00
The fees of the Guatemalan Social Security Institute, Guatemalan Social Security Institute	4.83%
Contributions to the Military Provident Institute and to the State and its institutions for contributions to social welfare schemes.	Depending on the amount
Donations to non-profit associations and foundations, of assistance or social service, to churches, to religious entities and associations, to political parties cannot exceed the gross income of 5%.	5%
Life insurance premiums to cover risks in cases of death exclusively of the worker, provided that the insurance contract does not accrue any amount for the concept of return, reimbursement or ransom.	According to the amount

Exempt income

- Compensation or pensions received on account of death or incapacity caused by accident or illness, single or periodic payments under the social

- security scheme, by insurance contract or by virtue of judgment;
- Payment of compensation for time served;
 - Remunerations of diplomats, consular agents and other official representatives credited to the Government of Guatemala, receive for the performance of their duties, on condition of reciprocity;
 - Expenses of representation and travel expenses verifiable and granted to cover expenses inside the country or abroad. The travel expenses in the country must be checked with the corresponding invoices issued according to national legislation;
 - Bonus up to 100% of the monthly salary or ordinary salary;
 - Annual bonus for workers in private and public sectors established by the Annual Bonus Law for Workers in the Private and Public Sector up to 100% of the monthly salary or ordinary salary;
 - Pensions, retirements or pawn-shop benefits for individual persons or their beneficiaries, including those determined by the Law of Civil Passive Classes of the State, pensioners or their beneficiaries of the Guatemalan Social Security Institute, of the Military Pension Institute; of the Professional Associations and any other individual or legal entity that pays or directly accredits persons of legal age or disabled for work.

Capital income, capital gains and losses

- Income from chattels capital

It is constituted by the income generated in cash or in kind represented by the total amount paid, credited or in any way made available to the tax payer, minus the exempt capital income. In the case of interest arising from price differentials and discounts, the tax base is the total amount received when the title or value is amortized or disposed of, less the purchase price of the said title or security.

- Real estate capital income

Income generated less 30% of that income as expenses, unless otherwise proven to be attached to a sworn tax return to be submitted during the month of January of each year, with documentation proving that the expense was greater than that percentage.

- Income from capital gains or losses

It is determined between the price of the disposal of the assets or rights minus the cost of the asset recorded in the accounting books.

In the case of capital gains on revaluation of assets, the taxable amount is the revalued value less the acquisition value.

There is no capital gain on revaluations of assets that are effected by simple bookkeeping items, but on disposal of such assets, the difference between the sale value and the book value of such assets prior to the revaluation.

1.3 Rates or tax rates

Income from lucrative activities

- Regime on the profits of lucrative activities

Settlement Period	Tax Rate
From 01/01 to 31/12/2014	28%
From 01/01 to 31/12/2015 onwards	25%

- Simplified optional regime on income from lucrative activities

Monthly Taxable Income Range	Fixed Amount	Tax Rate of
GTQ 0.01 to Q.30,000.00	GTQ 0.00	5% on taxable income
GTQ 30,000.01 onwards	GTQ 1,500.00	7% on the surplus of GTQ 30,000.00

- Income from work in relation to dependence

Monthly Taxable Income Range	Fixed Amount	Tax Rate of
GTQ 0.01 to GTQ 300,000.00	GTQ 0.00	5% on taxable income
GTQ 300,000.01 onwards	GTQ 15,000.00	7% on the surplus of GTQ 300,000.00

- Income from capital and capital gains
 - Equity and real estate capital income 10%
 - Distribution of dividends, gains and profits 5%
 - Income from lotteries, draws, bingo or similar events 10%
- Non-resident income with or without permanent establishment

Taxable Income	Tax rate (%)
Activities of international transport of cargo and passengers.	5
Insurance premiums, sureties, reinsurance, retrocessions and refinancing obtained by non-residents.	5
Telephony, data transmission and international communications of any nature and by any means between Guatemala and other countries.	5
Dividends, distribution of profits, gains and other benefits, as well as any transfer or crediting in account to their parent companies abroad, without consideration from permanent establishments of non-resident entities.	5
Supply of international news to user companies in the country, whatever the form of remuneration and for the use in Guatemala of cinematographic films, comic strips, photonovelas, musical and audio recordings and any other similar projection, transmission or dissemination of images or sounds in the Republic, whatever the medium used.	3
Interest paid or credited to non-residents. Exempt from the tax are payments of credits on account of interest on loans granted by banking and financial institutions to entities duly authorised and regulated in their country of origin, in accordance with the Law on Banks and Financial Groups, as well as those granted by the latter and multilateral institutions to persons domiciled in the national territory.	10
Salaries, fees, allowances, commissions, bonuses and other remunerations that do not imply reimbursement of expenses.	15
Payments or accreditation in bank account to athletes and artists of theater, television and other public or acting shows.	15
Professional fees.	15
Scientific, technical or financial advice.	15
Other income taxed not specified in previous lines.	25

1.4 Statements, payments and withholdings Filing

Filing

- System on profits

The fiscal year or annual tax period comprises from 1 January to 31 December of each year.

The annual tax return is filed within three months (31 March of each year) following the end of the fiscal year.

- Simplified optional regime on income

In this regime, the settlement period is on a monthly basis. In this regime, the settlement period is monthly. And they must subtract from the determined tax, the total withholdings made in the period. The difference is the one that must be paid directly in the first ten days of the immediately following month.

The tax determined in each of the monthly periods corresponding to each ca-

lendar year, must be reflected in the annual informative return that must be presented within the first 3 months of the immediately following year.

- **Work income**
 - Liquidation and return of what was withheld in excess

The settlement period is annual, which occurs in the first two months of the immediately following year. And the employer must reconcile the tax withheld with the tax determined on the updated taxable income, after considering the amount of the donations verified by the worker, insurance premiums, VAT return presented to the Tax Administration.

If it is determined that the employer withheld in excess, he must return the withholding of the excess, in one or more installments until they are completed.

- Payment of withholdings

Employers or payers must file a sworn tax return of the withholdings made and pay the tax withheld to the Tax Administration, within the first 10 days of the month following the one corresponding to the payment of the remunerations, and attach to the sworn return an schedule will all the information of the tax-payers supporting the withholding, even if the withholding was omitted.

- Obligation to file annual tax return

Workers must file the annual tax return on income tax and simultaneously, pay the tax only in the following cases:

- Whenever the employer fails to make withholdings;
- Whenever the employer makes minor withholdings.

The sworn tax return and payment of the tax must be made within the first 3 months of the year following the period being settled.

Payments and withholdings

- **Regime on utilities**

Those registered under this regime must make payments or advances on account of the tax on a quarterly basis. Using one of the following methods:

- Make partial accounting closures or a preliminary liquidation of their activities at the end of each quarter to determine the taxable income;

- On the basis of taxable income estimated at 8% of the total gross income obtained from lucrative activities, excluding exempt income.

Quarterly tax corresponding to said taxable income will be determined by applying the tax rate of 25% established by law.

Quarterly tax payment is made through a sworn tax return and will be paid within the month following the end of the corresponding quarter; payments made quarterly are credited to the Income Tax of this regime in the aforementioned annual liquidation period.

The sworn tax return is filed, even in the case of quarters that are incomplete due to the start of activities.

The taxable income of the fourth quarter will be included in the sworn tax return corresponding to the final annual settlement.

- **Simplified optional regime on income**

Those registered under this regime pay the tax by means of withholdings made by those who make the payment or credit in account, nevertheless, they must file a monthly statement.

Whenever authorization to make the total payments directly to the tax administration is granted, the return is filed monthly within the first 10 business days of the following month. Also a monthly statement should be filed if held for a lesser amount, or if not held for any reason or under the following provision:

- The person acquiring the goods or services will make the retention, as long as said value, excluding the value added tax, exceeds GTQ 2,500.00.
- Withholding agents file a monthly statement within 10 business days of the month following the month in which they were made.

Work income

- Payment of withholdings

Employers or payers file a sworn tax return of the deductions made to their workers and pay the tax withheld. The declaration is filed within the first 10 days of the month following the one corresponding to the payment of the remunerations.

Workers do not file a monthly statement, they are taxed through withholdings made by the employer.

Capital income and capital gains

Any person paying capital income, when appropriate, must withhold income tax and receive it through a sworn tax return, to the tax administration, within 10 days of the month immediately following the month in which the payment or bank crediting was made in money.

Whenever payment or crediting is made by persons subject to supervision of the Superintendency of Banks, withholdings with the character of definitive payment of the tax shall be applied in a global manner on the totality of the interest paid or credited to the savers or investors.

In the event that no withholding is made, the taxpayer must settle and pay the tax to the tax administration, within the first 10 days of the month immediately following that in which the payment, crediting or bank payment in cash was received.

Capital gains must be settled and paid by the taxpayer within the first 10 days of the month immediately following the one in which it occurred.

Rents to non-residents

Those responsible for, or representatives of, entities or estates obligated to have complete bookkeeping, who pay, credit in a bank account or in any way make available to non-residents income, must retain the tax definitively and receive it through a sworn tax return to the fiscal administration, within the term of the first 10 days of the immediate month following that in which the bank payment or crediting was made in money.

The withholding agent must issue proof of the retention made.

If the withholding has not been made, the tax must be settled and paid by the non-resident, by sworn tax return, within the first 10 days of the month following the occurrence of the event.

2. Solidarity tax

2.1 Obligated subjects

Individual or legal persons, trusts, participation contracts, irregular companies, de facto companies, the order of trust, branches, agencies or permanent or temporary establishments of foreigners operating in the country, co-ownership, community property, undivided hereditary assets and of other forms of business organization, which:

- Have their own assets, conduct commercial or agricultural activities in national territory;
- Obtain a gross margin (sales less cost of sales plus services) greater than 4% of gross income.

2.2 Determination of the tax base

The tax base is determined:

Based on the quarter of the total net assets.

Net assets:

The amount resulting from subtracting from total assets, depreciations and amortizations accumulated and the reserve for bad debts (no more than 3% on the operations of the usual line of business established in the ISR Law), as well as the total of tax credits pending reimbursement recorded in the opening balance sheet for the annual income tax period ongoing in the quarter for which the tax is determined and paid.

On one quarter of the gross income:

Revenues for compensation for patrimonial or personal losses arising from insurance, reinsurance and re-insurance contracts and the ceded reinsurance and re-guarantee premiums corresponding to the indicated period are excluded.

Gross income:

The total set of gross income, received or accrued, of any nature, customary or not, including income from the sale of fixed assets obtained, declared or that had to be declared by the taxpayer during the annual definitive settlement period of the Income Tax immediately prior to that in progress during the two-month period for which this tax is determined and paid. Revenues from compensation for

patrimonial or personal losses arising from insurance, reinsurance and re-guarantee contracts and the ceded reinsurance and re-guarantee premiums for the period indicated are excluded.

Tax is paid on whichever basis is higher, except when the net assets are four times greater than the gross income, according to the financial statements of the previous year.

2.3 Authorized deductions (effectively paid)

If the base is on net assets, the Sole Property Tax actually paid in the same quarter can be written off.

The Solidarity Tax and the Income Tax can be paid among themselves. The taxpayer can choose one of the following methods:

- The Solidarity Tax paid during the four quarters of the calendar year can be used to pay part or all of the Income Tax to be paid in the following calendar year and if a balance persists, it will be applied until it is exhausted during the following three calendar years.
- Quarterly payments of Income Tax can be used to pay part or all of the Solidarity Tax in the same calendar year.

Taxpayers who choose one of the above methods, can only change it with authorization from the tax administration.

2.4 Tax rate

The applicable tax rate is 1%.

2.5 Filing and payments

- **Filing**

The tax is caused by calendar quarter; in cases of periods less than one quarter, the tax is determined in proportion to the number of days that have elapsed. The declaration is made according to quarters of the calendar year (January to December).

- **Payments**

The tax is paid within the calendar month immediately following the end of each calendar quarter.

3. Value added tax

3.1 Obligated persons

The value added tax, when added to consumption, manages to tax at some point income from the activities of the informal economy, contributing to greater equity. It was developed under a general structure, which allows it to be very simple, both for the taxpayer and for the authority.

This tax falls on any taxable activity performed in the national territory, such as:

- Sale or exchange of personal property or rights constituted about them;
- Services rendered in the national territory;
- Imports;
- Withdrawals of personal property made by a taxpayer or owner of the company for personal use or consumption by the taxpayer or his family;
- Leasing of personal or real estate property;
- Like-kind exchange of personal or real estate property;
- Donation of personal or real estate property;
- Loss or destruction of inventories, except in the case of perishable goods, acts of God or crimes against the Heritage. When the latter cases arise, they should be recorded in a notarial deed and registered in the accounting in the form chronologically.

3.2 Determination of the tax base

The tax must be included in the value of the taxable activity, which must be recorded through invoices, special invoices, debit notes (for additions to the taxable activity) and credit notes (for returns, discounts, etc.).

3.3 Taxable base

Sales

The price of operation minus discounts granted according to commercial practices. Even when invoiced separately, readjustments and financial surcharges, the value of packaging, packaging and deposits made by buyers to guarantee their return, any other amount charged that appears on the invoices should be added to the price.

Services provided

The price of the same minus discounts granted according to commercial prac-

tices. The value of goods used for providing the service, any other charged sum that appear in the invoices must be added to the readjustments and financial surcharges.

Imports

The value that results from adding to the CIF price of the imported goods the amount of customs duties and other surcharges that are charged for the importation or internment:

- For lease of chattels and real estate, the value of the rent, to which must be added the value of the financial surcharges, if any;
- For adjudications, the value of the respective award;
- For removal of chattels property by the owner of a company, the purchase price or the manufacturing cost of chattels property;
- For alienation of terrestrial motor vehicles of the current year model, both the following the previous year in relation to the current year, and all types of maritime and air vehicles, the tax is 12%. It is paid according to the table of taxable values, approved by the Board of Directors of the Superintendency of Tax Administration, and published in the official newspaper and on the website in November of each year;
- In case of import of motor vehicles including motorcycles, the tax is 12%. For these cases, the tax base of the models prior to the year of the year model is the value recorded in the original invoice, issued by the seller of the vehicle abroad and that the authenticity of said invoice can be verified by the fiscal administration, in addition to demonstrating and documenting the payment of the invoiced value by the means made available by the banking system;
- For the first sale or exchange of real estate or for the other cases of transfers, the basis is the sale price recorded on the invoice, public deed or the one included in the tax registration, whichever is greater. If the seller is a registered taxpayer of this tax and its activity is the construction or sale of real estate, including land with or without construction, the tax base is the sale or exchange price or the one included in the tax registration, whichever is greater;
- Whether the transferor is a taxpayer or not, and his/her usual line of business is not real estate trade, the tax base is the price of the alienation or the amount recorded in the tax registration, whichever is greater.

Depending on the annual amount of sales of personal or real estate property or the provision of services carried out by taxpayers, within the fiscal or tax period from 1 to 31 December they can enroll in any of the following categories:

- **General regime**, the taxpayer (individual or legal person) determines its tax liability and pays the tax, taking into account the difference between the total debits and the total tax credits generated in each tax period.
- **Small taxpayer regime**, when sales of goods or services rendered, by an individual or legal person, do not exceed GTQ 150,000.00 annually.
- **Special regime for agricultural taxpayer**, individual persons that carry out production and sales activities in the agricultural sector, whose annual amount of sales of its products does not exceed GTQ 3,000,000.00.
- **Small Taxpayer Electronic Regime and Special Agricultural Taxpayer Regime**" Taxpayers who request their incorporation to this regime, in all their sales, are obliged to issue electronic invoices for small taxpayers or agricultural taxpayers, as applicable, and will be subject to a reduced tax rate of 4% instead of 5%.

3.4 Rates

- Single rate, all persons acquiring goods or services will pay the tax with a 12% tariff on the taxable base. Said rate, in all cases, must be included in the sale price of the goods or the value of the services.
- Special cases of sale, exchange or donation between living persons of land motor vehicles that are not of the current year model, the year following the current year or the year prior to the current year, the tax will be applied according to the following specific tariff scale:

Model	Fixed rate
Two to three years prior to the current year	GTQ 1,000.00
Four or more years prior to the current year	GTQ 500.00

Sale, exchange or donation between living persons of motorcycles that are not of the current year model, the year following the current year or the year before the current year, the tax will be applied according to the annual model, applying the following specific fixed rate scale:

Model	Fixed rate
Two to three years prior to the current year	GTQ 300.00
Four or more years prior to the current year	GTQ 200.00

Small taxpayer regime

- On the total gross income from sales or provision of services obtained by taxpayers registered in this regime, in each calendar month, the rate will be 5%.

Special regime for agricultural taxpayers

- On the gross sales made in each calendar month, for breeders of cattle, horses, pigs and goats, the triplet will be 5% on utility;
- In the case of buyers, sellers and fathers of cattle, horses, pigs and goats, the monthly rate will be 5%.

Electronic regime of small taxpayer and special electronic regime of agricultural taxpayer

The Tax Administration has made the electronic platform available to taxpayers under the Small Taxpayer Regime and the Special Agricultural Taxpayer Regime for the management, collection and control of the tax payable by these taxpayers.

Taxpayers who request their incorporation into this regime are obliged to issue electronic invoices for small taxpayers or agricultural taxpayers, as appropriate, on all their sales, and will be subject to a reduced rate of 4% instead of 5%.

The taxpayer must register a bank account with the Tax Administration and authorise the latter to automatically debit from said account on the tenth working day of each calendar month the amount equivalent to applying the 4% tax rate to the total income reported in the immediately preceding month, in accordance with the electronic invoices issued.

The resolution of incorporation to this regime must be included in the electronic invoices. In this case, the persons, who are withholding agents, when they pay, credit on account or in any way make income available to taxpayers qualified under this regime shall not make the withholding.

3.5 Filing and payments

Filing

The tax is caused at the moment in which the taxable activities are performed, the taxpayer is required to submit monthly his/her declaration of all the operations of the previous period, existing the obligation to file the information

consigned in the same, even of the operations exempt to the tax and the tax withholdings that were made during the month being declared.

Payments

Payments must be made during the calendar month immediately following the month in which they occurred.

The net sum that the general scheme taxpayer must pay to the treasury in each taxable period is the difference between the total of debits (generated by his sales or services rendered or other operations taxed) and the total of tax credits generated in the acquisition of goods and services, linked to the productive, distribution and commercialization process, as well as any VAT deductions made from them.

3.6 Withholding agents

Withholdings made by individuals, legal entities or estates that are withholding agents of the Added Value Tax (Sales Tax), have complete accounting and are designated as such by the Tax Administration, will act as withholding agents. These withholdings will have the character of final tax payments and will be calculated according to the regime in which the seller of goods or service provider is registered.

General scheme

- Individuals or legal entities that are dedicated to the export of services or goods, when buying or acquiring agricultural products or livestock, in the way they will be exported, as well as coffee in any form, except roasted or soluble, unrefined cane sugar; banana, cardamom in any state, sugar cane, cotton, milk and other agricultural products, will withhold 65% of Added Value Tax (Sales Tax) included in the total amount of the invoice;
- Individuals or legal entities that are dedicated to export, at the time of acquiring products other than those indicated in the paragraph above, will retain the seller or service provider 15% of Added Value Tax (Sales Tax) included in the total amount of the invoice;
- Individuals or legal entities that own classified companies to make use of the incentives established in the Development Law and Development of the Export and Maquila Activity, Decree Number 29-89 of the Congress of the Republic of Guatemala, which are dedicated to the export of goods or services when buying or acquiring goods, products or services, will retain the seller or service provider, 65% of Added Value Tax (Sales Tax) included in the total amount of the invoice;

- In the purchases of goods and acquisition of services that the State agencies, decentralized, autonomous entities and semi-autonomous and their companies, with the exception of the municipalities, 25% of the Tax will be withheld from the seller of the good or service provider to the Added Value included in the total amount of the invoice, as long as the amount of the purchase of goods or the rendition of services is greater than GTQ 30,000.00;
- When taxpayers who are appointed by the Tax Administration as withholding agents, as well as special taxpayers, make purchases of goods or acquisition of services to their suppliers, they will retain 15% of Added Value Tax (Sales Tax) if the total of the invoice, without including Added Value Tax (Sales Tax) is greater than GTQ 2,500.00.

Small taxpayer regime

- Individual, legal entities or estates, who are withholding agents of Added Value Tax (Sales Tax), have complete accounting and are designated as such by the Tax Administration, will act as withholding agents of Added Value Tax (Sales Tax) for small taxpayers in this Regime and will retain 5% on the total gross income from sales or rendition of services, in each calendar month, if the invoice value is greater than GTQ 2,500.00.

Special agricultural taxpayer regime

- Individual, legal entities or estates, who are withholding agents of Added Value Tax (Sales Tax), have complete accounting and are designated as such by the Superintendence of Tax Administration, will act as withholding agents of Added Value Tax (Sales Tax) for agricultural taxpayers in this Regime and will retain 5% of the total income recorded on the invoice of agricultural taxpayer as long as the amount of it is higher than GTQ 2,500.00.

4. Consumption, selective, specific and other taxes

4.1 Tax on tobacco and its products

The transfer of ownership of machine-made cigarettes is taxable.

Obligated persons

Manufacturers and importers of manufactured cigarettes are responsible for

paying the tax referred to in article 22 of this law, which is caused by the transfer of ownership of the product in any capacity.

Importers of machine-made cigarettes will pay the tax at the time of liquidating the respective policy. It is not considered sale price suggested to the public, the price invoiced to the distributor or intermediary by the manufacturer or importer. Said price must be reported to the Administration Tax, deducting the Added Value Tax (Sales Tax). For imports, customs of the republic will take as a basis the data recorded in the sworn statement authorized by the Tax Administration, as established in article 30 of this Law.

Determination of the tax base

The taxable basis is the factory sale price of each pack of ten packs of twenty cigarettes each without tax. For both, machine-made cigarettes domestically produced as well as imported, the tax basis may not be less than 75% of the price of suggested retail sale to the manufacturer, importer, distributor or intermediary, depending on who makes the sale to the public. In the affidavit The CIF value, custom fees and other tariff surcharges will be taken into account and import taxes, freight, insurance and other normal charges that the importer actually pays, will serve as the basis for the payment of the tax.

Rate

The tax rate is 100% of the factory sales price of each package of ten packs of twenty cigarettes each, without tax; likewise in the case of imports the rate will be 100% as referred to in article 22 of the Tobacco Law and its products.

4.2 Specific tax on the distribution of distilled alcoholic beverages, beers and other fermented beverages.

The distribution in national territory, both domestic or imported, is taxable.

Obligated subjects

Manufacturers or importers residing in the country.

Determination of the tax base

The tax is generated at the time of the departure of distilled alcoholic beverages, beers and other fermented beverages, from warehouses or storage centers, collection used by taxpayers who are registered manufacturers or importers, for distribution in the national territory.

The tax base is the sale price to the final consumer suggested by the manufacturer or the importer, and reported by them to the Superintendency of Tax Administration in accordance with the provisions of this law, without including the value added tax in that price. the distribution tax.

Rates

- Beers and other fermented cereal drinks 6%;
- Wines 7.5%;
- Wine "Vermouth" 7.5%;
- 7.5% sparkling wine;
- Ciders 7.5%;
- Distilled alcoholic beverages 8.5%;
- Mixed alcoholic beverages 7.5%;
- Other fermented beverages 7.5%.

The above rates correspond to the tariff items 2203.00.00, 2204, 2205 and fractions 2204.10.00, 2206.00.00, 2208, 2208.90.90 and 2206.00.00 will be applied on the suggested retail price to the final consumer.

4.3 Specific tax on the distribution of soft drinks, isotonic or sports drinks, juices, nectars, yoghurts, concentrated or powder preparations for the elaboration of beverages and bottled natural water.

The distribution in national territory, both domestic or imported, is taxable.

Obligated persons

- Manufacturers or importers residing in the country, whose distribution is taxed; and
- Individual or legal persons who are not manufacturers or importers duly registered in the superintendence of tax administration, carrying out eventual imports and for their own consumption, whose distribution is taxed.

Determination of the tax base

The taxable base of the tax is constituted by the quantity of liters, soft drinks, isotonic or sports drinks, juices and nectars, yogurts, concentrated or powder preparations for the elaboration of beverages and bottled natural water, both domestic and imported, distributed in national territory by a taxpayer, during a calendar month.

Rates

Distribution is taxed by the tax established in this law, the following specific rates shall apply, per liter:

- Simple or sweetened soft drinks containing or not containing carbon dioxide gas, referred to in tariff headings 2201 and 2202. Also, syrups and/or concentrates from whose mixture bubbly beverages are generated, which tariff item 2106.90.30 GTQ 0.18 refers to;
- Isotonic or sports drinks, which tariff item 2202.90.90 GTQ 0.12 refers to;
- Natural juices and nectars or natural fruit and artificial juices referred to in tariff heading 2009 and tariff item 2202.90.90 GTQ 0.10;
- Yoghurt drinks of any kind, which tariff item 0403.10.00 GTQ 0.10 refers to;
- Concentrated or powder preparation for the production of beverages referred to in tariff item 2106.90.90 GTQ 0.10;
- Yogurt drinks of any kind, referred to in tariff section 0403.10.00 GTQ 0.10;
- Bottled natural water, which tariff item 2201 refers to, in presentations of up to four liters. Natural water bottled in presentations of more than four liters is used for domestic use. GTQ 0.08.

To the beverages described above, the rules and criteria regulating the Central American tariff system (SAC) apply.

4.4 Tax on the distribution of crude oil and petroleum-based fuels

A tax is established, both imported and domestic, processed in the country, which are distributed within the national territory.

Obligated persons

The following are taxpayers and/or withholding agents, individuals or legal persons:

- distributing fuels, legally authorized to operate in the country;
- carry out oil exploration operations in the country, for crude oil destined for consumption within national territory, to be used as fuel;
- refining, transforming, processing or producing the affected products, legally authorized to operate in the country, for operations related in the distribution or commercialization with an importer, wholesaler, transporter, retailer, transformer, consumer own or others;
- that directly intern the national territory, for its distribution or own consumption, the products referred to in the Law of said tax.

Determination of the tax base

The estimation base will be set according to the American gallon of 3.785 liters, at room temperature.

Rates

- Gasoline
 - Superior gasoline GTQ 4.70.
 - Regular gasoline GTQ 4.60.
 - Aviation gasoline GTQ 4.70.
- Diesel and gas oil GTQ 1.30.
- Kerosene
 - DPK GTQ 0.50
 - Kerosene for jet engines (Avjet turbo fuel) GTQ 0.50.
 - Naphtha GTQ 0.50.
 - Liquefied petroleum gas (propane, butane, methane and similar) in bulk and in carburetion GTQ 0.50.

4.5 Specific tax on the distribution of cement

Tax the distribution of cement of any kind, both domestic and imported, that is distributed in the national territory, in bags, in bulk or "clinker".

Obligated individuals and legal entities

- That are engaged in the production or manufacture of cement, when the product is distributed or sold in the national territory.
- Directly importing cement of any kind, for distribution or sale in the national territory, either for their own use or that of third parties.

Determination of the tax base

The specific tax on the distribution of cement of any kind, whether domestically produced or imported, that is distributed in national territory in bags, in bulk or clinker, is generated at the moment of departure from the storage warehouses of the manufacturers. In importing of cement of any kind in bags, in bulk or clinker, the tax is generated and paid temporarily at the time of entry or access into the country by the corresponding customs, recovering the importer at the

time of distribution and sale in national territory. The tax base to determine the specific tax on the distribution of cement, is the bag of 42.5 kilograms of weight or its equivalent. When bags of greater or lesser weight, either in bulk or clinker are distributed or imported, the respective equivalence to 42.5 kilograms bag will be applied.

Rate

GTQ 1.50 for each bag of 42.5 kilograms of weight or its equivalent, when it is in bulk or clinker, or in bags of different weight.

5. Discretions

5.1 Unique property tax (IUSI)

Annual single tax on the value of rustic or rural and urban real estate, comprising the land, structures, buildings, facilities attached to the property and its improvements; as well as the permanent crops located in the territory of the Republic of Guatemala.

For the purposes of determining the tax, the value of the following assets shall not be included in the tax base:

- Machinery and equipment;
- In rustic or rural properties, housing, schools, health posts, clinics or other centers of social benefit for workers of these properties.

For the purposes of this tax, it is assumed that permanent crops are those that have a production term greater than three years.

5.2 Obligated persons

Individuals or legal entities owning or possessing real estate and those possessing State assets as usufruct.

5.3 Determination of the tax base

The basis of the tax will be constituted by the values of the different properties that belong to an obligated person. For this purpose, the following will be considered:

- The value of the land;
- The value of structures, buildings and facilities permanently attached to

- them and their upgrades;
- The value of permanent crops;
- The increase or decrease determined by hydrological, topographic, geographic and environmental factors,
- Urban, suburban or rural nature, population, location, services and similar.

5.4 Rate

Who has obligation

Historic value		Tax
From	To	
GTQ 0.00	GTQ 2,000.00	Exempt
GTQ 2,000.01	GTQ 20,000.00	2 per thousand
GTQ 20,000.01	GTQ 70,000.00	6 per thousand
GTQ 70,000.01	Onwards	9 per thousand

5.5 Filing and payments

Payments are made per quarter due, although advance payments of two or more quarters can be made.

Quarter	In cash
First quarter	On April
Second quarter	On July
Third quarter	On October
Fourth quarter	On January
GTQ 70,000.01	Onwards

6. Decoration ticket

6.1 Obligated persons

All Guatemalan or foreigners residing in each municipal jurisdiction who are between 18 and 65 years of age are obligated to pay for the decoration tax. Those under 18 who, in accordance with the Labor Code, have authorization to work are included in this obligation.

6.2 Determination of the tax base

The monthly income of all persons residing in each municipal jurisdiction. When the income is variable, the monthly average obtained during the last year will be calculated.

6.3 Percentage to pay

No.	MONTHLY INCOME	DISCRETION GTQ
1.	From GTQ 300.01 to GTQ 5,000.00	4
2.	From GTQ 500.01 to GTQ 1,000.00	10
3.	From GTQ 1,000.01 to GTQ 3,000.00	15
4.	From GTQ 3,000.01 to GTQ 6,000.00	50
5.	From GTQ 6,000.01 to GTQ 9,000.00	75
6.	From GTQ 9,000.01 to GTQ 12,000.00	100
7.	From GTQ 12,000.01 onwards	150

7. Special contributions

Contributions to the Guatemalan Institute of Social Security, the Workers' Recreation Institute of the private enterprise of Guatemala and the Technical Institute for Training and Productivity.

Social Security

The Guatemalan Social Security Institute (IGSS) is the institution responsible for granting social security benefits to affiliated workers.

Provides protection and benefits through coverage programs, in the event of the following social risks:

- Occupational accidents and diseases,
- Maternity,
- General diseases,
- Disability,
- Old age,
- Widowhood,
- Orphanage and
- Death (funeral expenses).

Employer, labor and State quotas were established with the objective that the people who contribute enjoy the benefits obtained. The three entities receiving

the income from employers and employees are:

- Guatemalan Social Security Institute, Workers' Recreation Institute of the private company of Guatemala;
- Technical Institute of Training and Productivity.

7.1 Obligated persons

Employers, workers and the State.

7.2 Determination of the tax base

The total salary of the worker, understood as such, the remuneration or profit, whatever its denomination or method of calculation, provided that it can be evaluated in cash, fixed by agreement or by law and due by an employer to a worker, in virtue of a contract or employment relationship, for the work that the latter has done or must perform or for services that he has rendered or must provide. Exceptions are payments made at the termination of the contract or employment relationship for compensation and compensation of vacation in cash, the year-end allowance and bonus 14 that is paid annually to workers, as well as the incentive bonus set by the law.

7.3 Percentage to be paid

IGSS labour contribution 4.83%.

IGSS employer's contribution 10.67%

Recreation Institute of the Workers of the Private Company of Guatemala 1.00%

Technical Institute for Training and Productivity 1.00%

Incentive bonus

The amount of the incentive bonus that was created in favor of all workers in the private sector of the country was GTQ 250.00, which must be paid by their employers together with the monthly salary accrued, this bonus does not affect the workers' acquired rights, set minimum salaries or to be set in the future, being its legal foundation articles 4, 5, 6 and 7 of the Law of Bonus Incentive for Workers of the Private Sector (Decree 78-89) and its Reforms Decree 7-2000 and 37-2001). It does not increase the value of the salary for the calculation of compensation or compensation for time served, or bonuses, except for the calculation of the seventh day, which will be computed as ordinary salary. It is not subject to or affects the payment of the employer or labor fees of the IGSS, IRTA and INTECAP, unless employers and workers agree to pay said fees.

Year-end allowance

Annual bonus, equivalent to a monthly salary per year worked, or proportional to the period less than one year, to be paid in December to which every worker is entitled, computed from the first day that the employment relationship begins.

Bonus 14

It is a mandatory annual benefit for all private and public employers equivalent to ordinary salary, or proportional to the period of less than one year, to be paid in July, computed from the first day the employment relationship begins

Holidays

The worker's right to 15 business days of paid annual leave after each year of continuous services, with the exception of workers of agricultural companies, WHO will be entitled to ten business days. Holidays must be enjoyed by absence from work and cannot be compensated in a different way. Except in case of termination of the employment relationship that must be paid in legal tender.

7.4 Contributions for improvements

In Guatemala, contributions for improvements are usually established by the country's municipalities. The municipal tax code establishes that the residents who are beneficiaries of urbanization works that improve the areas or places where their properties are located, will pay the contributions established by the Municipal Council, which may not exceed the cost of the improvements. The regulations issued by the Municipal Council shall establish the quota system and the collection procedures.

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