



**TAXES IN
IMPUESTOS EN AMERICA**

2021

THIRD EDITION / TERCERA EDICIÓN

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Mexico

-  **Capital city:**
Mexico city
-  **Aera:**
1,972,550 km²
-  **Population:**
127,575,530
-  **Language:**
Spanish
-  **Political system:**
Federative presidential republic
-  **GDP/capita 2019:**
USD 9,946
-  **Currency:**
Mexican Paso (MXN)
-  **ISO Code:**
MEX
-  **Telephone code:**
+52
-  **National day:**
16 September



Introduction

The obligation for the payment of contributions is set forth in section IV of article 31 of the Political Constitution of the United Mexican States and in articles 1 and 2 of the Fiscal Code of the Federation. From reading these articles we can summarize the following:

Individuals and corporations are required to contribute to public expenditures in accordance with the respective tax laws, without prejudice to the provisions of international treaties to which Mexico is a party.

Contributions are classified in taxes, social security contributions, contributions of improvements and rights and are defined as follows:

- **Taxes**

Taxes are the contributions set in law that must be paid by individuals and corporations in the legal or de facto situation foreseen by it. In this classification we find 2 main taxes:

- **Income Tax**, (ISR) which taxes the profit, gain or difference between income and authorized deductions. The rate of this tax ranges from 2% to 35% for individuals, 40% for the case of dividends received and 30% for corporations.
- **Value Added Tax**, (VAT) which taxes consumption. The general rate is 16%, with some exceptions.

- **Contributions of social security**

Contributions established in law by persons being replaced by the State in compliance with obligations set by law in matters of social security or people who benefit in a special way for security services provided by the same State.

- **Contributions of improvements**

Contributions established in the Law by the individuals and corporations that benefit directly from public works. For example, fees for the use of highways.

- **Rights**

Contributions established in the Law for the use or exploitation of the assets of the public domain of the Nation, as well as for receiving services provided by the State in its public law functions. For example, a company that is dedicated to the controlled cutting of trees must pay rights for the exploitation of natural resources.

1. Taxes to individuals

1.1 Residents in Mexico

Individuals who have established their home in Mexico are considered residents of Mexico. When individuals also have a dwelling in another country, they will be considered residents of Mexico, if their center of vital interests is located in national territory. For these purposes, it will be considered that the center of vital interests is in national territory when, among other cases, they are located in any of the following cases:

- When more than 50% of the total income earned by the individual in the calendar year has a source of wealth in Mexico.
- When the main center of their professional activities is in Mexico.

1.2 Non-residents in Mexico

All Mexican and foreign individuals who are not located in the previous point are considered non-residents in Mexico.

1.3 Classification of income

The income is classified as follows:

- **Wages and in general for a subordinate personal service**

Income for the provision of a subordinate personal service, salaries and other benefits that derive from an employment relationship, including the participation of workers in the profits of the companies and benefits received as a result of the termination of the employment relationship.

- **Business activities**

Revenue from business activities is considered to be income from the performance of commercial, industrial, agricultural, livestock, fishing or forestry activities.

- **Professional activities**

Revenues derived from the provision of a professional service, remunerations derived from an independent personal service and whose income is not considered in point⁽¹⁾.

- **Lease and in general for the use or temporary enjoyment of real estate**

Income is considered for granting the temporary use or enjoyment of real estate arising from the lease or sublease and, in general, for granting onerously the temporary use or enjoyment of real estate in any other form.

- **Alienation of assets**

The following are considered income from the alienation of goods:

- Any transfer of property, even in which the transferor reserves the ownership of the alienated property;
- The awards, even if they are made in favor of the creditor;
- The contribution to a company or association;
- The one that is realized by means of the financial leasing;
- The one that is done through a trust;
- The transfer of ownership of a tangible asset or of the right to acquire it that is effected through the transfer of credit instruments, or the transfer of rights representing them;
- The transfer of credit rights related to the supply of goods, services or both, through a financial factoring contract at the time of signing said contract.

The amount of the consideration obtained, including in credit, due to the alienation will be considered income; when due to the nature of the transmission there is no consideration, the value of the appraisal practiced by a person authorized by tax authorities will be taken into account.

Alienation income will not be considered as income derived from the transfer of ownership of property due to death, donation or merger of companies or those derived from the sale of bonds, securities and other credit instruments, provided that the income from the alienation is considered interest.

- **Acquisition of goods**

The following are considered income from the acquisition of goods:

- Donation, treasures and acquisition by prescription; in all cases, the de-

posit will be equal to the valuation value practiced by a person authorized by the tax authorities;

- The difference between the valuation value and that of alienation, when the former exceeds the latter by more than 10%;
- Constructions, installations or permanent upgrades in real estate that, in accordance with the contracts by which their use or enjoyment was granted, are for the benefit of the owner. Income will be understood to be earned at the end of the contract and in the amount that in such date have investments according to the appraisal practiced by a person duly authorized by the tax authorities.

- **Interests**

Interest is considered, whatever the name assigned to the returns of credits of any kind.

- **Awards**

Revenues for obtaining prizes are derived from the celebration of lotteries, raffles, raffles, games with bets and contests of all kinds, legally authorized.

- **Dividends and in general for the profits distributed by corporations**

Individuals must tally up to their other incomes, those received for dividends or profits. Such persons may credit, against the tax that is determined in their annual return, the ISR (income tax) paid by the company that distributed the dividends or profits, as long as it considers as cumulative income, in addition to the dividend or profit received, the amount of the ISR paid for said company corresponding to the dividend or perceived profit.

1.4 Fees, withholdings, subsidies and exemptions

In Mexico, the ISR of individuals is calculated annually by the total income earned based on a progressive rate ranging from 1.92% to 35% depending on the income earned in the fiscal year; the more income the higher the tax will be. During the fiscal year and depending on the type of income in question, there may be an obligation to make provisional payments on account of the annual tax, on which the withholdings received at the time of collections can be deducted.

The following table shows the progression of the ISR caused by various annual amounts.

Income	ISR	Rate
12,000.00	1,790.00	14.92%
30,000.00	6,430.00	21.43%
60,000.00	15,785.00	26.31%
120,000.00	36,185.00	30.15%
240,000.00	77,640.00	32.35%
480,000.00	161,640.00	33.68%

Note: the figures are presented in US dollars calculated at an exchange rate of 20 pesos/USD.

Persons earning income from wages or, in general, from a subordinate personal service⁽¹⁾, will receive net income after taxes. In this case, the person hiring the services is required to calculate the ISR for each payment made and file said withholdings upon the tax authorities no later than the 17th day of the month following that in which they were made.

- **Subsidy**

Persons receiving a monthly salary under pesos 7,382.34 (USD 369.1), will receive a subsidy ranging from pesos 217.61 to pesos 407.02 (USD 10.88 to 20.35), depending on the income received. This subsidy will be written off from the ISR determined by the person who hires the employee's services and, if greater, it will be accrued to the net receivable.

- **Exemptions**

Individuals pay no taxes for, among others, the following income:

- 50% of the Extra Time and rest days;
- Compensation for risk of work or diseases;
- Retirements, pensions, retirement insurance; etc.
- Medical and funeral expenses reimbursements;
- Social security benefits, without this exemption exceeding one Unit of Measurement and Updating (UMA) per month;
- Saving Fund;
- Seniority premiums, indemnities and retirement insurance;
- Gratuities, holiday bonuses, participation of workers in profits, Sunday bonuses;
- Salaries received by foreigners in the diplomatic service;
- Travel expenses;
- The sale of your home;
- The sale of chattels;
- Interest earned in credit institutions;

- Life insurance contracted for the benefit of the worker by the employer;
- Inheritances, legacies and donations received;
- Prizes won in scientific, artistic or literary contests;
- Compensation for damages;
- Copyright.

Notes:

- There are limitations and maximums in all cases; surpluses are considered taxable for income tax purposes.
- Those individuals who in the fiscal year have only earned income from salaries not exceeding pesos 400,000.00 (USD 18,000) are not required to file an annual return.

People earning income from conducting **business activities⁽²⁾, professionals activities⁽³⁾, or by leasing real estate⁽⁴⁾**, are required to make monthly provisional payments calculated in accordance with the progressive rate referred above, taking as a tax base the result of subtracting the income earned deductions that are mentioned below.

- **Withholding of ISR**

Legal entities that hire professional services or rent real estate to individuals are required to withhold 10% of the agreed compensation or income. Such retention must be filed to the tax authorities no later than the 17th day of the month following that in which they were made; likewise, the individual may deduct this withholding of the ISR generated as a provisional monthly and/or annual payment.

- **Write-offs (deductions)**

Persons with income from business or professional activities may write off, depending on the business or activity carried out, the expenses that are necessary to carry out their professional services or business activities; people with income from leasing real estate have the option to write off 35% of their income without the need for verification or by document verification the following expenditures:

- Property tax, local taxes and, if applicable, the local lease tax;
- Maintenance expenses related to leased property;
- Salaries, fees and collateral expenses related to this activity;
- Insurance premiums covering the respective assets;
- Investments in construction, including additions and upgrades.

The Alienation of assets⁽⁵⁾ is divided into two sections:

- Persons who earn income from the alienation of assets other than shares are required to accumulate said income in their annual return and perform the corresponding calculation for the determination of the ISR that may be applicable, in the month of April of the year following the term in which operations were carried out. The following are considered alienation of goods, among others:
 - Transfer of property, even in which the transferor reserves ownership of the alienated property;
 - Awards, even if they are made in favor of the creditor;
 - Contribution to a company or association;
 - That which it is done through leasing;
 - Certain operations carried out in trusts;
 - Transfer of ownership of a tangible asset or of the right to acquire it that is effected through the transfer of credit instruments, or the transfer of rights representing them. At this point, actions or social parts are not considered;
 - Transfer of credit rights related to the supply of goods, services or both, through a financial factoring contract at the time of the conclusion of said contract, except when they are transmitted through factoring with collection mandate or with delegated collection, as well as in the case of transfer of credit rights by individuals, in which it will be considered that there is alienation until such time as the corresponding credits are collected;
 - One taking place by means of fusion or split of societies, excepting some instances.

It is considered that alienation is made in national territory, among other cases, if the asset is in such territory when the shipment is made to the purchaser and whenever there is no shipment, physical delivery of the goods is made by the transferor in the nation.

Exemption

No income from alienation shall be considered as income derived from the transfer of ownership of property due to death, donation or merger of companies or those derived from the sale of bonds, securities or other credit instruments, provided that the income from the alienation is considered an interest under the terms of the Income Tax Act.

Deductions

People with income from alienation of assets, other than shares in stock exchanges, may deduct the cost of the property sold, investment in buildings, no-

tary fees, taxes, duties, appraisals and commissions; as well as the losses suffered in similar operations in previous years.

- Persons earning income from the sale of shares in the stock exchange, will be required to pay the ISR, whose payment will be considered as definitive, applying the rate of 10% to the profits earned.

The gain or loss obtained in the year will be determined by adding or decreasing, as appropriate, the gains or losses arising from the sale of shares of each issuing company or securities representing shares or stock indices made by the taxpayer or earned in derivative financial operations, carried out through each one of the intermediaries of the securities market with which it operates or foreign financial entities with which it has signed an intermediation contract.

When taxpayers generate a loss in the year due to alienations or operations referred to in this section, they may reduce said loss only against the amount of the gain that the same taxpayer may obtain in the year or in the following ten years due to alienations, or operations of the same kind. The amount to be reduced for losses may not exceed the amount of said earnings.

Individuals must file a tax return for the profits earned under this section and, if applicable, pay the tax corresponding to the year, which must be presented in the annual return together with the other income earned in the year.

- **Taxpayers earning income through the Acquisition of goods⁽⁶⁾**, shall cover, as a provisional payment on account of the annual tax, the amount that results from applying the 20% rate on the income received, without any write off. The provisional payment will be made by means of a tax return that they will file before the authorized offices within 15 days after earning the income. Income for the Acquisition of goods is considered, among others: Donation, treasures, acquisition by prescription and acquisition of real estate when the value of the valuation exceeds by more than 10% the agreed purchase price.

Deductions

People with income from the acquisition of goods, may make the following deductions in their annual return:

- Payment of local and federal contributions, with the exception of ISR;
- Notary fees related to the acquisition;
- Expenses incurred in connection with lawsuits in which the right to acquire is recognized;
- Appraisals;

- Commissions paid by the purchaser.
- **People earning income from Interest⁽⁷⁾**, must accumulate it to their other income, discounting the inflationary effects. When in a fiscal year only income is earned for this concept and provided that such income does not exceed pesos 100,000.00 (USD 5,000.00), they may choose to consider the withholdings that would have made them as final payments and thus avoid filing the annual return.
- **Prizes⁽⁸⁾** are subject to final withholdings that can range from 1% to 21%. Benefits earned will not be accumulated to other income as long as they are included in the annual return of the person receiving them. When not declared, the authority may request their accumulation to the other income and the tax withheld would be considered as a provisional payment.
- **People receiving Dividends⁽⁹⁾**, must accumulate them with their other income and may credit, against the tax that is determined in their annual declaration, the income tax paid by the company that distributed the dividends or profits. Notwithstanding individuals will be subject to an additional 10% tax on dividends or profits distributed by legal entities resident in Mexico. The latter will be required to withhold the tax when they distribute said dividends or profits, and they will receive it together with the provisional payment of the corresponding period. This additional fee will be considered as a definitive payment and not creditable or compensable against the ISR that could be caused in the annual return.

1.5 General deductions

In addition to the deductions shown in each of the previous points (from 1 to 7), individuals may deduct, in their annual statement, the following expenses: medical expenses, funeral expenses, insurance premiums for expenses senior doctors, real interest paid for mortgage loans, donations to institutions authorized to receive them, tuition and school transportation; each of the above concepts has maximum conditions and limits.

1.6 Declarations and payments

The following table shows, in a summarized and simplified way, the procedure of accumulation of income and determination of annual income tax.

	(1) Salaries	(2) Business act...	(3) Indep... prof serv	(4) Lease...	(5) Aliena... goods	(6) Acquis... of goods	(7) Taxes	(9) Divi- dends		Total annual
Income	X.XX	X.XX	X.XX	X.XX	X.XX	X.XX	X.XX	X.XX	+	Tally
Deductions	X.XX	X.XX	X.XX	X.XX	X.XX	X.XX	X.XX	X.XX	-	Tally
Taxable									=	X.XX
Base	X.XX	X.XX	X.XX	X.XX	X.XX	X.XX	X.XX	X.XX	=	Tally
ISR annual									=	X.XX
Withholdings	X.XX	X.XX	X.XX	X.XX	X.XX	X.XX	X.XX	X.XX	-	Tally
Provisional payments	X.XX	X.XX	X.XX	X.XX	X.XX	X.XX	X.XX	X.XX	-	Tally
ISR payable or in favor in annual return									=	X.XX

2. Taxes to corporations

2.1 Residents in Mexico

Legal entities that have established in Mexico the main administration of their business or their headquarters of effective management.

2.2 Non-residents in Mexico

Non-residents in Mexico are considered to be those legal entities that are not comprised in the previous item.

2.3 Permanent establishment

A permanent establishment is considered any place of business in which business activities are carried out, either partially or totally, or independent personal services are provided. It is understood as a permanent establishment, among others, branches, agencies, offices, factories, workshops, facilities, mines, quarries or any place of exploration, extraction or exploitation of natural resources. However, when a resident abroad acts in Mexico through an individual or legal entity, other than an independent agent, the resident abroad will be considered to have a permanent establishment in the country, in relation to all activities that said individual or corporation performs for the resident abroad.

Income attributable to a permanent establishment in Mexico arising from the business activity carried out or income from fees and, in general, from the provision of an independent personal service, as well as that derived from alienations of goods or goods, shall be considered as income attributable to a permanent establishment in Mexico, real estate in national territory, made by the central

office of the person, by another establishment of this or directly by the resident abroad, as the case may be, and the ISR shall be paid based on said income.

The following will not be considered permanent establishment:

- The use or maintenance of facilities for the sole purpose of storing or displaying goods or merchandise belonging to the resident abroad;
- The conservation of stocks of goods or merchandise belonging to the resident abroad for the sole purpose of storing or exhibiting said goods or merchandise or of being transformed by another person;
- The use of a place of business for the sole purpose of buying goods or merchandise for the resident abroad;
- The use of a place of business with the sole purpose of developing activities of a prior or auxiliary nature for the activities of the resident abroad, either propaganda, information provision, scientific research, preparation for the placement of loans, or other similar activities;
- The fiscal deposit of goods or merchandise of a resident abroad in a general deposit warehouse or the delivery thereof for importation into the country.

2.4 Subsidiary

- Subsidiary = entity controlled by another entity (Headquarters).
- Headquarters = entity that has one or more subsidiaries.
- Control = the power to govern the financial and operating policies of an entity to obtain benefits from its activities.

2.5 Estimation of taxable income

The taxable profit (or taxable profit) will be determined by decreasing from the total cumulative income earned in the year, the authorized write-offs and the participation of the workers in the profits of the companies paid in the same fiscal year; the result will be reduced, if applicable, the tax losses pending to apply from previous years.

- The legal entities resident in the country will consider as cumulative income all income earned in cash, goods, service, credit or any other type in the year, including that from their offices abroad, and that determined by the Inflationary effect when this results in a real decrease in debt.

Those incomes obtained by capital increases, by payment of the loss by its shareholders, by premiums earned by the placement of shares issued by the company itself or by using the equity method to value their shares or those earned from the revaluation of its assets and capital, are not considered in-

comes. Neither shall income from dividends or profits received from other legal entities resident in Mexico be cumulative.

Legal entities residing abroad, as well as any entity considered as a legal entity for tax purposes in their country, that have one or several permanent establishments in the country, will accumulate all the income attributable to them. The simple remittance obtained from the corporate entity's HQ or another establishment thereof shall not be considered income attributable to a permanent establishment.

- Legal entities residing in the country, shall consider as authorized write-offs, depending on their activity carried out, all those expenses that are necessary for undertaking their social objects, provided that they comply with the requirements set forth by the Mexican tax authorities.

In the case of legal entities resident abroad, as well as any entity considered as a legal entity for tax purposes in their country, that have one or more permanent establishments in Mexico, they may make the deductions corresponding to the activities of the permanent establishment, either those issued in Mexico or elsewhere, provided that the requirements established by the Mexican tax authorities are met.

When the persons referred to in the preceding paragraph reside in a country with which Mexico has a treaty in effect to avoid double taxation, the expenses apportioned with the central office or its establishments may be deducted, provided that both the central office as the establishment, in which the delivery is made, also reside in a country with which Mexico has in force a treaty to avoid double taxation, and has a broad agreement of exchange of information, and also meets the requirements that for such effect has been set forth by the fiscal authorities.

Remittances made by the permanent establishment located in Mexico to the company headquarters or to another establishment of the same abroad, even when said remittances are made as royalties, fees, or similar payments, in exchange for the right to use patents or other rights, or as a commission for specific services or for actions taken or for interest for money sent to the permanent establishment, shall not be deductible.

2.6 Rate

The ISR will be calculated at 30% on the fiscal result obtained according to point 2.5 and it will be paid by means of a tax return that will be filed within three months after the end of the fiscal year.

2.7 Dividends - Capital Gains:

Legal entities may distribute their profits in accordance with the following:

- When said dividends come from the net fiscal utility account (CUFIN), they will be considered to have already paid the ISR.

This account (CUFIN) will be added with the net fiscal profit of each year, as well as with the dividends or profits received from other legal entities resident in Mexico and will be reduced with the amount of the dividends or profits paid, with the profits distributed, when in both cases they come from the balance of said account. To determine the CUFIN, the ISR caused in the fiscal year should be reduced, if applicable.

- When the distributed dividends do not come from the CUFIN, these are considered net and the ISR must be calculated on the basis that it had to pay 30%.

In both cases, when the distributed dividend is paid to an individual, the company must retain an additional 10% of ISR.

2.8 Tax returns and payments

The legal entities are required to file the following statements:

- **Monthly**

Provisional monthly payments on account of the annual ISR, which must be declared on the Tax Administration Service website www.sat.gob.mx, no later than the 17th day of the month following that in which the obligation corresponds. In case tax is determined, the payment must be made via Internet from the banking portal where the taxpayer's account is open, respecting the same deadline.

- **Annual**

Legal entities must file their annual return on the Tax Administration Service website www.sat.gob.mx, no later than 31 March of the fiscal year following that to which the obligation corresponds. The ISR in charge will be able to discount the provisional payments made. If the balance is determined in the annual statement, it may be offset against taxes caused or withheld in the future.

3. Value added tax

3.1 Overview

- The Value Added Tax (VAT) is a consumption tax, which is considered to end up absorbing the final consumer as part of its cost.
- The VAT is considered to be caused when the invoice is collected.
- Legal entities hiring professional services or leasing real estate from an individual must retain two thirds of the VAT that is transferred to them and file it no later than the 17th day of the month following the one in which the withholding is made together with the other taxes caused and withheld.
- When people contract services for which the service provider makes personnel available to the contractor, the latter will have the obligation to withhold 6% VAT at the time of payment and pay it no later than the 17th day of the month following that in that the withholding is made together with the other taxes caused and withheld.
- The VAT paid in the purchase of goods or services is considered creditable in the month in which the payment of the corresponding invoice is made, provided that the expense is deductible for ISR purposes.
- Taxpayers will pay monthly, to the tax authorities, the difference between the transferred VAT (actually charged to customers) and the creditable VAT (effectively paid to the suppliers of goods and services).

3.2 Rates

The general VAT rate is 16%, with the following variants:

- **The VAT for the following operations will be calculated at the 0% rate:**

The alienation of:

- Animals, except for those that are used as pets in the home;
- Non-industrialized vegetables;
- Patent medicines;
- Food products (with some exceptions);
- Ice and water;
- Fertilizers, pesticides, herbicides and fungicides;
- Hydroponic greenhouses and equipment to produce controlled temperature and humidity to protect crops;
- Gold, jewelry, gold, artistic or ornamental pieces;
- Books, newspapers and magazines;

- Among others.

The provision of the following professional services:

- Loans to farmers and ranchers;
- Grinding and crushing of corn or wheat;
- Pasteurization of milk;
- Those provided to hydroponic greenhouses;
- Water supply for domestic use;
- Among others.

The export of goods or services

The following operations are considered exempt from VAT:

The following operations are considered exempt from VAT:

The alienation of:

- Soil;
- Constructions adhered to the floor, destined or used for home;
- Books, newspapers and magazines, as well as copyright;
- Used furniture, except for those alienated by companies;
- Lottery tickets, raffles, draws or gambling;
- Shares and social parts.

The provision of the following services:

- Commissions derived from mortgage loans;
- Fees of fund managers for retirement;
- Teaching;
- Doctors and hospitals;
- Public land transport of people;
- Those provided to members of associations and unions as normal consideration for their fees;
- In the case of international air transportation, 75% of the cost of the ticket is considered exempt and 16% will be paid only for 25% of the same;
- The lease of house;
- Among others.

3.3 Tax returns and payments

The VAT must be filed monthly on the Tax Administration Service website www.sat.gob.mx no later than the 17th day of the month following that in which the

obligation corresponds. In case tax is determined, the payment must be made via Internet from the banking portal where the taxpayer's account is open, respecting the same deadline.

4. Tax for transfer of ownership

The tax for transfer of ownership or acquisition of real estate is considered a state tax, so each state has its determination procedure. It is usually calculated based on the amount that is higher between the amount of the operation, appraisal value or cadastral value. The transferrable domain operations (for real estate) must be performed before a notary public and he/she is responsible for determining it.

5. Social security contributions

Social security contributions refer mainly to a field of social welfare related to social protection or coverage of socially recognized needs such as poverty, old age, disabilities, unemployment and are contributions established in the Law by individuals, which are replaced by the State, in compliance with the obligations established by law in matters of social security.

Social security's purpose is to guarantee the right to health, medical care, protection of the means of subsistence and the services necessary for individual and collective well-being.

Social security contributions are considered "tripartite", meaning that they come from contributions made by employers, the state and the workers themselves. The fees paid to the Mexican Social Security Institute (IMSS) are divided into 5 insurance branches: diseases and maternity; work risks; disability and life; retirement, unemployment in old age and old age; nurseries and social benefits. Additionally, in this chapter, the contributions to the Institute of the National Housing Fund for Workers (INFONAVIT) can be considered.

For the calculation of the fees to be paid for both the IMSS and the INFONAVIT, the maximum salary will be 25 times the UMA at the moment of making the installments.

A table of percentages follows:

	Employer dues	Worker fees
Illness and maternity		
Benefits in kind		
Fixed Fee	20.4%	
Additional fee	1.1 %	0.400 %
Cash benefits	0.7 %	0.250 %
Benefits in kind from the pensioners and their beneficiaries	1.05 %	0.375
Occupational risk	(3)	
Disability and life	1.75 %	0.625 %
Nursery and social benefits	1%	
Retirement	2 %	
Unemployment and Old age	3.15%	1.125 %
Infonavit	5%	

6. Other taxes

6.1 Payroll or compensation tax

In some states of the Mexican Republic, employers must pay a percentage of the wages paid to their workers. The bases and rates have variants in each one. However, the generality is 3% on the perceptions that employees receive.

6.2 Taxes on car ownership

Individuals and legal entities must pay the car ownership tax to the state where those goods are registered. Each state has its percentages and in some cases exemptions may exist.

6.3 Property taxes

Individuals and corporations owning real estate must pay the property tax, which varies depending on the state, the area where the property is located and the value of it.

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