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IRS RULING (8 Feb. 2023)

APPLICATION OF TEMPORARY CONTRIBUTION COVID-19 (CTP COVID-19) TO TAXPAYERS WHO APPLIED FOR THE VOLUNTARY, UNIQUE AND TEMPORARY TAX REGIME FOR THE REGULARIZATION OF ASSETS ABROAD (RIVUT)

IRS issued a Ruling establishing criteria in the application of CTP COVID-19 when applying RIVUT considering the Equity as of December 31, 2020. This will have a substantial impact for taxpayers when complying with their obligations in relation to CTP COVID-19 in March 2022 and 2023.

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The IRS has issued Ruling **No. NAC-DGECCGC23-00000001** in February 8, 2023 establishing its criteria when determining the **Temporary Contribution COVID-19 (CTP COVID-19)** for those taxpayers that have applied for the **Voluntary, Unique and Temporary Tax Regime for the Regularization of Assets Abroad (RIVUT)** until December 31, 2022. The following are the main points of the Ruling:

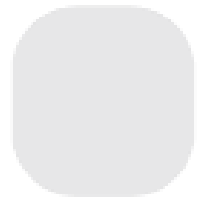
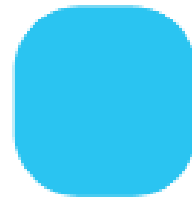
- The amounts declared in the RIVUT must be considered for the application of the CTP COVID-19 since for both cases the **same taxable period is taken for the determination of the taxable base**, i.e. December 31, 2020 or January 1, 2021.

For the application of the CTP COVID-19, it is reminded that the minimum amounts of equity must be equal or greater than US\$1 million, US\$2 million and US\$5 million for individuals, spouses and companies, respectively.

- In case the CTP COVID-19 has already been declared and paid without considering the effects of the RIVUT, the **amended tax return** of the CTP COVID-19 must be filed.
- **Interest, fines and surcharges** will be applied in the event of late filing and payment of contributions.



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