



Tax Newsletter

Timely news and information on national tax issues

Main considerations upon preparing the Annexes for the VAT Return (F-07) and the Income Tax Advance and Withholdings Taxes (F-14).

Due to the new form of filing the VAT Return (F-07) and the Income Tax Advance and Withholdings Taxes (F-14), as of March 2021, the Tax Administration has requested that all taxpayers prepare certain Annexes that will provide the information for populating these tax returns, which must comply with certain technical specifications in their preparation for their proper filing through the online platform of the Tax Administration.

In addition, the Tax Administration has made Manuals available that provide the guidelines for preparing the Annexes and for the process of importing "CSV" files to the platform.

This new process has posed challenges and a series of difficulties for taxpayers during the process of preparing the annexes and uploading information to complete and submit the monthly VAT Returns and Tax Advance and Withholdings Taxes.

Based on the above, following we have compiled the most common mistakes made by taxpayers in the process of preparing the Annexes for the Tax Returns, along with certain recommended solutions for correcting such errors:

- 1) Only CSV format files are permitted.**
Taxpayers should prepare files in Excel format to complete the information required in the applicable Annexes. However, when this

information is imported, a **CSV** file must be created (separating contents using commas), with a name that does not exceed 25 characters.

Due to the above, taxpayers should verify that the uploaded file has a CSV extension.

2) Verify that there are no blank boxes in the required fields in each Annex.

When the applicable Annexes are being prepared, taxpayers should check that there are no blank boxes or columns related to transaction amounts.

In the event that a numerical column is not applicable to the taxpayer's transactions of the month, a zero should be entered.

Notwithstanding the above, there is an exception to this provision, since **column J** (*Cash Register Machine No.*) of the Annex detailing Sales to Final Consumers should be left blank when there are no transactions with tickets.

3) The information does not correspond to a specific or particular Annex.

Taxpayers should verify that the number of the Annex is entered in the last column of the file. For such purpose, the Tax Administration has assigned a number to each Annex, as follows:

Annex Number	Description
1	Detail of Sales to Taxpayers
2	Detail of Sales to the Final Consumer
3	Detail of Purchases
4	Detail of Sales on Account of Third Parties (Box 108)
5	Detail of Purchases from Excluded Parties (box 66)
6	Advance on Account of the 2% VAT made to the Declarant (box 161)
7	1% VAT withholding made to the Declarant (box 162)
8	Collection of 1% VAT made to the Declarant (box 163)
9	Collection of 1% VAT made by the Declarant (box 169)
10	Withholding of 1% VAT made by the Declarant (box 170)

11	Advance on Account of the 2% VAT made by the Declarant (box 171)
12	Withholding of 13% VAT made by the Declarant (box 172)

4) The entry made does not coincide with the Annex being uploaded.

When taxpayers are uploading the CSV files onto the platform of the Tax Administration, they should verify that the corresponding file is being uploaded into the correct box. For example, the Annex with the Detail of Sales to Taxpayers should not be uploaded into the box corresponding to the Detail of Purchases.

5) Verify the structure of the file and that it does not have any boxes with blank spaces in the required fields.

Usually, when taxpayers are working on the Annexes in Excel, they tend to enter titles from the headings of each file to serve as a guide for correctly filling out the requested information; for example: date of issuance of the document, class of document, type of document, etc. However, taxpayers should ensure that upon converting to the CSV format, these headings are deleted in each of the columns of the Annex.

6) Length of the series number is incorrect.

Taxpayers should make sure that the number of characters established for each column of each Annex is not being exceeded, which are stipulated in the *"User's Manual for uploading Files of the Annexes to the VAT Return F-07V13"*.

7) Verify the total of the Tax Credit.

This error occurs when in the transactions reported for taxed purchases a percentage other than the 13% Tax Credit for VAT is entered. Due to the above, we suggest recalculating the Tax Credit for VAT in Excel, using the "ROUND" function to two digits.

8) Entry does not correspond to the period being declared.

Taxpayers should be careful not to declare sales from periods prior to the one being reported, be they sales to taxpayers or final consumers. They should also check that this has not occurred due to errors in the editing of the document's date, caused by the incorrect entering of a date corresponding to previous periods.

9) The amount withheld cannot equal zero.

This error occurs because the company is mistakenly reporting an employee with the code **01** "*Services of a Permanent Nature as an Employee*", that is, employees that have Income Tax withheld. However, in this case these are employees whose income is not subject to Income Tax withholdings because it does not exceed Category I of the Income Tax Withholding Tables established in Decree 95, which should be reported with code **60** "*Services of a Permanent Nature as an Employee (Category I of the Withholding Tables)*".

10) The amount withheld cannot be other than 10% of the amount accrued.

Taxpayers that have had transactions with individuals that are not employees (code 11), to whom a 10% Income Tax Withholding has been made, as stipulated in Article 156 of the Tax Code, should verify that such withholding

is not greater or less than 10% of the amount paid.

Due to all of the above, it is recommended that taxpayers consider the technical specifications, as well as the information required for each Annex, as established by the Tax Administration in the Manuals it has made available, in order to avoid mistakes in the preparation of the cited annexes, as well as delays or formal or substantive violations in the filing of the VAT Return (F-07) and the Income Tax Advance and Withholdings Taxes (F-14).



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Tax Calendar

June 2021

The updated 2021 tax calendar is now available on the Tax Administration's website, which includes public holidays and deadlines for all tax obligations.

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

Download the 2021
Obligations Calendar



June 14

VAT

Declaration and payment of the Tax on the Transfer of Movable Goods and the Rendering of Services (F-07)

Financial Income and Transactions

Monthly declaration of Payment on Account, and Tax Withheld on Income, Financial Transactions, and the Special Contribution for Citizen Security and Coexistence (F-14)

Specific and Ad Valorem Taxes

Declaration and payment of Specific Taxes, Ad Valorem Taxes and Special Contribution (F-06)

Other obligations

- Report on Donations (F-960)

- Report on Specific and Ad Valorem Taxes on Producers and Importers of Alcoholic Beverages, Potable Ethyl Alcohol and Beer, Carbonated Beverages, Isotonic Beverages, Fortified Beverages or Energy Drinks, Juices, Nectars, Soft Drinks and Concentrated or Powder Mixtures for the Preparation of Drinks (F-955)
- Report on Specific and Ad Valorem Taxes on Producers and Importers of Firearms, Ammunitions, Explosives and Similar Items, Producers of Tobacco and Producers, Importers and those that clear fuels through customs (F-988)
- Monthly Report of Sales to Producers, Distributors or Retailers of Tobacco and Tobacco Products (F-956)

- Statement of Origin and Application of Funds (F-950)
- Report on appointment of tax auditor, for taxpayers that appointed their auditor on 31 May 2021

June 22

VAT

Monthly Report on Withholdings, Collections, or Payments on Account of VAT (F-930).

Printing Presses

Monthly Report on Documents Printed for Taxpayers Registered under the VAT (F-945)

June 17

Father's Day

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