



Tax Alert

Government Agreement 125-2022

On 26 May 2022, Government Agreement 125-2022 was published in the official gazette, which contains the following amendments to the current tax laws in the country:



Issuance of the regulation for Decree No. 7-2019, Tax Simplification, Updating and Incorporation Law, whose main objective is focused on the "efficient implementation of the Special Regime for Taxpayers in the Agricultural Sector, Electronic Regime for Small Taxpayers and Special Electronic Regime for Taxpayers in the Agricultural Sector."

This regulation establishes the definitions of specific activities of the sector, as well as others related to accounting and/or tax aspects.

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Amendments to Decree No. 5-2013, Regulation of the Value Added Tax Law, specifically in the following aspects:

- To numeral 5 of article 22, related to expenses that do not generate a tax credit, for acquisitions of goods and services made by taxpayers registered under simplified taxation regimes for this tax.
- To article 29, differentiating between aspects related to physical documents and those issued through FEL; as well as the addition of one last paragraph that establishes that in the case of credit and debit notes issued through FEL, the signature and stamp referred to in article 17 of the VAT Law may be substituted with the electronic means provided by the SAT.
- To article 30, clarifying the matter related to the series and number of the documents issued through FEL; additionally, new phrases are added, which must be included in the authorized documents in the case of taxpayers registered under the special regime for taxpayers in the agricultural sector. Furthermore, the following paragraph is added with respect to the authorization of invoices with blank spaces: *"electronic tax documents issued under the FEL Regime are exempt from this provision."*
- To article 37, adding to the legal basis for the activation of books, article 54 "C" of the VAT Law.
- To article 45 *"Withholdings for different activities,"* adding a second paragraph as follows: *"Invoices issued by taxpayers registered under the electronic regimes for Small Taxpayers and the Special Regime for Taxpayers in the Agricultural Sector are exempt from that withholding obligation."*
- To article 49, adding that the withholdings referred to in the article should also be made to taxpayers in the agricultural sector, calculated based on gross sales.
- To the title of Chapter XI, with it now as follows: *"Simplified Taxation Regimes"*
- The first, second and third sections are added to Chapter XI, as follows: *"Small Taxpayers"; "Special Regime for Taxpayers in the Agricultural Sector;"* and *"Electronic Regime for Small Taxpayers and Special Electronic Regime for Taxpayers in the Agricultural Sector."*



- The following articles are added

Article No.	Title	Important aspects
55 Bis	<i>Requirements for registration under the Special Regime for Taxpayers in the Agricultural Sector</i>	<ul style="list-style-type: none"> • Taxpayers with income no greater than Q3 billion annually • Activated under FEL • Must keep a journal, book of record of bank accounts and book of inventories • Filing of tax returns regardless of whether or not the taxpayer has activities to report
55 Ter	<i>Determination of the tax obligation</i>	<p>Taxpayers in the agricultural sector that perform production activities, 5% of gross sales; those that perform commercialization activities, 5% of profits.</p> <p>These taxpayers must keep a strict control of the average cost per pound of their product.</p>
55 Quarter	<i>Tax withholding and payment</i>	The tax office shall make available to taxpayers the necessary means for the application of withholdings to taxpayers in the agricultural sector that apply the tax rate to the sales; likewise, reference is made to the fact that making these withholdings does not convert the taxpayer into a VAT withholding agent.
55 Quinquies	<i>Records in the books of the taxpayers of the Special Regime for Taxpayers in the Agricultural Sector</i>	Minimum requirements that must be recorded in the journal, book of record of bank accounts, and book of purchases and sales.
55 Sexies	<i>Permanence in the Regime</i>	It is necessary to perform agricultural activities and have income no greater than Q3 billion annually
55 Septies	<i>Requirements for registration in the electronic regimes for Small Taxpayers and the Special Regime for Taxpayers in the Agricultural Sector</i>	<ul style="list-style-type: none"> • Declare that annual income does not exceed Q150K • Register a checking account in the name of the taxpayer • Be activated under FEL • Keep control of purchases and sales through electronic means activated by the SAT
55 Octies	<i>Records in the books of taxpayers of the electronic regimes for small taxpayers and special regime for taxpayers in the agricultural sector</i>	Minimum requirements that must be recorded in the journal, book of record of bank accounts, and book of purchases and sales.

No. De artículo	Título	Aspectos importantes
55 Nonies	<i>Determination of the tax obligation for electronic regimes</i>	<p>If the tax is paid during the first 10 business days of each month, 4% of the income will be applied; after this term, the taxpayer must pay 5% on the same basis.</p> <p>In the case of taxpayers in the agricultural sector whose form of payment is based on profits, they may adhere to the special electronic regime for taxpayers in the agricultural sector by determining the tax based on the total income of the immediately preceding month.</p>
55 Decies	<i>Use of banking services for tax matters in order to remain in the electronic regimes</i>	<ul style="list-style-type: none"> • Utilizar cualquier medio diferente al dinero en efectivo respecto a los pagos realizados. • Registrar una cuenta monetaria ante SAT



Amendment to article 32 of Government Agreement No. 425-2006, Regulation of the Statutory Provisions for Strengthening the Tax Administration, specifically through the addition of paragraphs that establish the criteria based on which the Tax Administration may authorize tax documents.

The above considers the following: 1) relationship between the sales and purchases reported monthly; 2) difference between the sales and purchases according to the last 12 tax returns filed; and 3) comparison between what was requested and the maximum that constitutes the projection of use or consumption for six months (maximum validity of documents other than FEL).

Furthermore, one last paragraph was added, which indicates that the Tax Administration will not proceed to issue the requested authorization *"when the taxpayer's registration under the Value Added Tax is not active because the taxpayer failed to file the tax returns and pay such tax, or the taxpayer was not located at their tax domicile, in accordance with that established in article 120 of the Tax Code."*

Finally, all of the amendments indicated above will go into effect one day after their publication in the official gazette, with the exception of article 25 (amendments to article 32 of Government Agreement No. 425-2006), which will go into effect six months after the entering into effect of the new regulation.

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