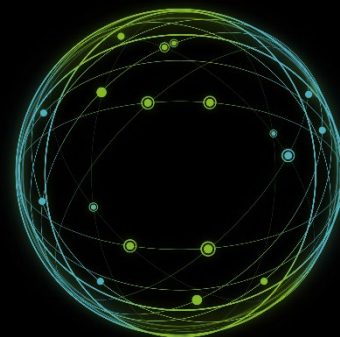


International Tax Guatemala Highlights 2026

Updated January 2026



Recent developments

For the latest tax developments relating to Guatemala, see [Deloitte tax@hand](#).

Investment basics

Currency: Guatemalan quetzal (GTQ)

Foreign exchange control: There are no foreign exchange controls.

Accounting principles/financial statements: IFRS or tax basis (corporate income tax law-based accounting criteria) applies. Financial statements must be filed annually.

Principal business entities: These are the stock corporation, limited liability company, and branch of a foreign entity.

Corporate taxation

Rates	
Corporate income tax rate	25% of net profits, solidarity tax also applies (general regime); passive income taxed separately
Branch tax rate	25% of net profits, solidarity tax also applies (general regime); passive income taxed separately; 5% withholding tax applies on remittances of branch dividends to foreign head office
Capital gains tax rate	10%

Residence: A corporation is resident in Guatemala if it is incorporated under Guatemalan law, has its fiscal domicile or corporate headquarters in Guatemala, or is a branch of a foreign company in Guatemala.

Basis: Guatemala operates a territorial system under which income tax is imposed only on Guatemalan-source income. A resident company can opt to be taxed under one of two regimes: (i) the general tax regime, under which tax is imposed on net taxable income (traditional corporate income tax); or (ii) the simplified optional tax regime, under which tax is imposed on gross revenue (gross receipts tax).

Passive income (e.g., dividends, interest, and rents) is taxed separately.

Branches are taxed in the same way as subsidiaries.

Taxable income: A company that elects to be taxed under the general tax regime is required to calculate taxable income by adjusting book net income for foreign-source income, exempt income, passive income, and nondeductible expenses. Under

the simplified optional tax regime, taxable income is calculated as gross revenue less foreign-source income, passive income, and exempt income.

Rate

General

Under the general tax regime, tax is imposed on net profits from trade or business activities at a rate of 25% (a solidarity tax also applies to companies that opt for the general regime (see “Alternative minimum tax,” below)). Under the simplified optional tax regime, tax is imposed on monthly gross revenue at a rate of 5% or 7% (depending on the amount of the monthly gross revenue).

Revenue categorized as passive income earned by residents is taxed via withholding at the following rates on the gross amount: 5% on dividends; 10% on interest, royalties, and income from leases of movable property; and 7% on income from leases of real estate.

Surtax

There is no surtax.

Alternative minimum tax

A solidarity tax applies to companies that opt for the general net income tax regime. The rate is 1% on total assets or gross revenue, whichever is greater. The solidarity tax is creditable against the income tax, and vice versa.

Global minimum tax (Pillar Two)

Guatemala has not made any specific announcements regarding the implementation of rules in line with the global anti-base erosion (GloBE) or “Pillar Two” model rules published by the OECD/G20 Inclusive Framework on BEPS that are designed to ensure a global minimum level of taxation of 15% for certain multinational enterprise groups.

Taxation of dividends: Dividends are taxed at a rate of 5%.

Capital gains: Capital gains are taxed at a rate of 10%.

Losses: Net operating losses may not be carried forward or back. Capital losses may be carried forward two years to offset capital gains, but may not be carried back.

Foreign tax relief: There is no foreign tax relief; Guatemala operates a territorial system under which income tax is imposed only on Guatemalan-source income.

Participation exemption: There is no participation exemption.

Holding company regime: There is no holding company regime.

Incentives: Tax incentives are provided mainly for companies operating in free zones, export companies, companies entitled to a duty drawback, and those engaged in activities relating to renewable sources of energy. Incentives include an exemption from corporate income tax for a 10-year period. Exemptions from the solidarity tax, VAT, and import taxes also may be available under certain conditions.

Under the foreign capital investment promotion law, tax stability agreements may be available where new projects in Guatemala are financed with foreign capital by qualifying foreign investors. Tax stability agreements offer increased certainty to investors and protect their rights and legal status for a specific period of time.

Compliance for corporations

Tax year: The tax year is the calendar year.

Consolidated returns: There are no provisions for group taxation; each entity must file a separate return.

Filing and payment: The annual income tax return is due three months after the close of the tax period (i.e., by 31 March of the following year). Taxpayers that elect to be taxed under the simplified optional tax regime pay tax monthly either via withholding or by paying tax directly to the tax authorities. In addition, these taxpayers must file an annual information return.

Penalties: Penalties are imposed for late filing, failure to file, underreporting, or tax avoidance/evasion.

Rulings: A taxpayer may request a ruling on the tax consequences of a transaction in which it has a direct interest. The tax authorities must issue a binding ruling no later than 60 business days after submission of the request.

Individual taxation

Rates		
Individual income tax rate	Taxable income (of residents from employment)	Rate
	Up to GTQ 300,000.00	5%
	Over GTQ 300,000.00	7%
Capital gains tax rate		10%

Residence: Individuals are considered to be a resident of Guatemala if they remain in the country for more than 183 days during the calendar year or if their center of economic interests is in Guatemala.

Basis: Resident individuals are subject to income tax on Guatemalan-source income. Nonresident individuals are taxed via withholding on their Guatemalan-source income.

Taxable income: Individuals engaged in a trade or business are taxed in the same way as corporations. Income from employment is taxed via withholding by the employer.

Passive income (e.g., dividends, interest, and rents) is taxed separately.

Rates: Trade or business income of individuals is taxed at corporate rates. Personal income from employment is taxed at progressive rates of 5% or 7%.

Passive income earned by residents is taxed via withholding at the following rates on the gross amount: 5% on dividends; 10% on interest, royalties, and income from leases of movable property; and 7% on income from leases of real estate.

Nonresident individuals are taxed via withholding at a flat rate of 15% on Guatemalan-source employment or professional services income. See “Withholding tax,” below, for withholding tax rates that may apply to other types of Guatemalan-source income paid to nonresident individuals.

Capital gains: Capital gains are taxed at a rate of 10%.

Deductions and allowances: In addition to a personal allowance of GTQ 48,000, individuals earning income from employment may deduct a few items categorized as personal deductions in the law.

Foreign tax relief: There is no foreign tax relief; Guatemala operates a territorial system under which income tax is imposed only on Guatemalan-source income.

Compliance for individuals

Tax year: The tax year is the calendar year.

Filing status: Joint filing is not permitted. Each individual must file a separate return, except for those under an employment contract where the employer has withheld tax on behalf of the individual.

Filing and payment: The annual income tax return must be filed by the end of the third month after the close of the tax year (i.e., by 31 March of the following year). Individuals who derive only employment income in an amount of GTQ 48,000 or less, or whose total amount of personal income tax due is withheld by the employer, are not required to file a return.

Penalties: Individuals are liable for a penalty of up to 100% of any unpaid tax liability.

Rulings: Taxpayers may request a ruling on the tax consequences of a transaction in which they have a direct interest. The tax authorities must issue a binding ruling no later than 60 business days after submission of the request.

Withholding tax

Rates				
Type of payment	Residents		Nonresidents	
	Company	Individual	Company	Individual
Dividends	5%	5%	5%	5%
Interest	0%/10%	10%	0%/10%	10%
Royalties	0%/10%	0%/10%	15%	15%

Dividends: Dividends paid to a resident or nonresident are subject to a 5% withholding tax on the gross amount.

Interest: Interest paid to a resident or nonresident is subject to a 10% withholding tax on the gross amount. Exemptions are provided for the banking and finance sectors.

Royalties: Royalties considered passive income that are paid to a resident are subject to a 10% withholding tax on the gross amount; other royalties paid to a resident are not subject to withholding tax. Royalties paid to a nonresident are subject to a 15% withholding tax on the gross amount.

Fees for technical services: Fees for technical services paid to a resident are not subject to withholding tax. Fees for technical services paid to a nonresident are subject to a 15% withholding tax on the gross amount. Technical services include a report, advice, or recommendation of a technical or scientific nature, which is presented in writing and results from the detailed study of facts or available data and is intended to guide action on a stated situation or problem.

Branch remittance tax: Remittances by a branch to its foreign head office that are not part of an exchange for consideration are subject to the same treatment as dividends, i.e., they are subject to a 5% withholding tax.

Other: A 25% withholding tax is imposed on other types of Guatemalan-source income not specifically covered by the income tax law.

Anti-avoidance rules

Transfer pricing: Transfer pricing rules apply to any transaction between a Guatemalan resident taxpayer and a nonresident related party where the transaction affects the calculation of the taxable income of the fiscal year and subsequent fiscal years. The transfer pricing rules are aligned with the OECD guidelines, and there is a sixth transfer pricing method for commodities.

Interest deduction limitations: Interest expense deductions are limited to the interest rate set by the Guatemala monetary board multiplied by three times the average net assets of the company. However, interest paid to a nonresident related party that is not a regulated bank or financial institution in its country of origin is nondeductible.

Controlled foreign companies: There are no controlled foreign company rules.

Anti-hybrid rules: There are no anti-hybrid rules.

Economic substance requirements: Local tax and penal codes establish a broad framework under which domestic transactions must be supported by their economic substance. Payment through the banking system is required for payments related to costs or expenses to be deductible for tax purposes, and for transactions involving the use of tax credits.

Disclosure requirements: There are no disclosure requirements.

Exit tax: There is no exit tax.

General anti-avoidance rule: There are no general anti-avoidance rules.

Value added tax

Rates	
Standard rate	12%
Reduced rate	0%

Taxable transactions: VAT applies to most sales of goods, the provision of services, leases, imports, and the first transfer of real estate.

Rates: The standard VAT rate is 12%. Certain supplies of goods and services are exempt. Exports of goods and services are zero rated.

Registration: Registration for VAT purposes generally is required upon incorporation in Guatemala.

Filing and payment: Monthly VAT returns must be filed by the end of the following month.

Other taxes on corporations and individuals

Unless otherwise stated, the taxes in this section apply both to companies and individuals and are imposed at the national level.

Social contributions and payroll taxes: Both the employer and the employee pay social security taxes. The rate is 12.67% of the employee's total monthly remuneration for the employer, and 4.83% for the employee.

Capital duty: There is no capital duty.

Real property tax: Real estate tax is imposed annually at progressive rates up to 0.9%.

Transfer tax: See "Stamp duty," below and "Value added tax," above.

Stamp duty: Stamp tax is imposed on various documents at a rate of 3%, as well as on certain transfers of real estate.

Net wealth/worth tax: There is no net wealth tax or net worth tax.

Inheritance/estate tax: For individuals, inheritance tax is imposed at progressive rates, depending on the degree of relationship between the deceased and the beneficiary.

Other: Mining companies are subject to a license tax, surface tax, and royalties.

Tax treaties: Guatemala has not concluded any tax treaties. A tax treaty has been signed with Mexico, but it is not yet in force. For information, visit [Deloitte International Tax Source](#).

Tax authorities: Superintendency of Tax Administration (SAT)

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