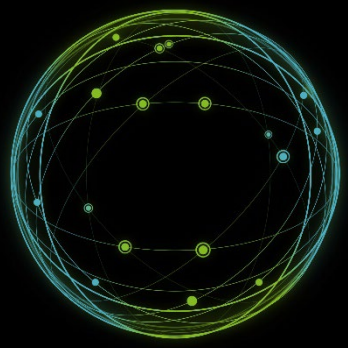
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# International Tax

## Honduras Highlights 2026

Updated January 2026



## Recent developments

For the latest tax developments relating to Honduras, see Deloitte tax@hand.

## Investment basics

**Currency:** Honduran Lempiras (HNL)

**Foreign exchange control:** The exchange rate is subject to a "crawling band" regime, with the rate determined daily in foreign exchange auctions. The Central Bank of Honduras is responsible for the exchange auctions and for setting monetary policies.

**Accounting principles/financial statements:** IAS applies. Financial statements must be prepared annually under IFRS.

**Principal business entities:** These are the corporation, limited liability company, general and limited partnership, branch of a foreign company, and sole proprietorship.

## Corporate taxation

| Rates | |
|---|---|
| **Corporate income tax rate** | 25% (30% including surtax, as defined below) |
| **Branch tax rate** | 25% (30% including surtax, as defined below) |
| **Capital gains tax rate** | 10% |
| **Surtax** | 5% solidarity contribution on net taxable corporate or branch income exceeding HNL 1 million |

**Residence:** A company is resident in Honduras if it is organized as a branch, subsidiary, affiliate, or agency according to the Commercial Code.

**Basis:** Honduras operates a territorial tax system, under which only Honduras-source income is subject to tax. Branches are taxed in the same way as subsidiaries.

**Taxable income:** Taxable income for corporate income tax purposes includes all income and gains that increase the taxpayer's net worth, less deductions for expenses related to the production of income.

**Rate**

### General

The corporate income tax rate is 25%.

### Surtax

A 5% solidarity contribution is imposed on net taxable income exceeding HNL 1 million, in addition to the corporate income tax.

### Alternative minimum tax

Entities with gross income exceeding HNL 1 billion in the previous fiscal period must pay an alternative minimum tax (AMT) of 1% on such income, but only if the AMT is higher than the regular income tax. The rate is reduced to 0.5% for entities in the following sectors or industries: production, distribution, or commercialization of cement, steel, and steel derivatives for construction (this does not include the sale of scrap or mining industry activities); public services provided by state companies; medicines and pharmaceutical products for human use, at the producer, importer, or retailer level; bakeries; and the production, commercialization, or export of coffee.

### Global minimum tax (Pillar Two)

Honduras has not yet implemented rules that generally are 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 multinational enterprise groups with annual consolidated revenue of at least EUR 750 million. The Honduras government has not announced any initiative for the implementation of Pillar Two.

**Taxation of dividends:** Dividends paid to a resident or nonresident company are subject to a 10% withholding tax.

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

**Losses:** Tax losses generally may not be carried forward or back. However, tax losses incurred by manufacturing, mining, agribusiness, and tourism companies may be carried forward for three years.

**Foreign tax relief:** There is no foreign tax relief.

**Participation exemption:** There is no participation exemption.

**Holding company regime:** There is no holding company regime.

**Incentives:** The tourism sector and companies operating in free zones and under temporary import regimes, as well as agro-industrial and renewable energy companies, qualify for beneficial tax treatment. Certain investments are promoted and protected under a special law. An incentives regime is also available for service center companies.

**Other:** A 1% tax is imposed on a corporation's total net asset value as determined in its year-end balance sheet, but only if it is higher than the regular corporate income tax or the AMT. The tax is due by the same date as the corporate income tax.

## Compliance for corporations

**Tax year:** The tax year is the calendar year but a taxpayer may use a different tax year ("special tax year") if approved by the tax authorities via a resolution granted in an administrative proceeding.

**Consolidated returns:** Consolidated returns are not permitted; each company must file a separate return.

**Filing and payment:** The annual return must be filed and the tax paid within the first four months of the year following the tax year. Alternatively, three advance payments may be made during the tax year (in June, September, and December), with any

balance due paid before 30 April of the year following the tax year. Excess tax paid will be credited against the tax liability in the next fiscal period.

Taxpayers with a special tax year must file the annual return and pay the annual tax due within the first three months following the close of the special tax year.

**Penalties:** Various penalties apply for nonpayment of income taxes, ranging from 3% to 36% and from 5% to 60% in certain qualified cases. Formal penalties are applied and are calculated based on the company's annual gross income. Income-based fines apply for failure to file the annual return.

**Rulings:** Tax rulings may be obtained in accordance with the procedures established by the competent authority depending on the taxpayer's case.

## Individual taxation

| Rates (for 2025) | | |
|---|---|---|
| **Individual income tax rate** | **Taxable income (HNL)** | **Rate** |
| | Up to 217,493.16 | 0% |
| | 217,493.17–331,638.50 | 15% |
| | 331,638.51–771,252.38 | 20% |
| | Over 771,252.38 | 25% |
| **Capital gains tax rate** | | 10% |

**Residence:** An individual is resident in Honduras if the individual lives in the country and is not a mere transient or traveler. A foreigner whose period of stay in the country is limited by the immigration law is not a resident.

**Basis:** Honduras operates a territorial tax system, under which only Honduras-source income is subject to tax.

**Taxable income:** Taxable income is comprised of income earned from employment, the carrying on of a business or profession, investment income, and any other gains.

**Rates:** Rates are progressive up to 25%. The cap for tax-exempt income is HNL 217,493.16 plus HNL 40,000 for medical expenses, with no documentation needed to support the expenses. Individuals with gross income exceeding HNL 1 billion in the previous fiscal period must pay AMT of 1% on such income, but only if the AMT is higher than the regular income tax.

The progressive rate scale is adjusted automatically based on the year-on-year variation in the Consumer Price Index published by the Central Bank of Honduras for the previous year.

**Capital gains**: Capital gains generally are subject to a 10% tax. When a nonresident transfers real estate, rights, or securities, the acquirer must withhold 4% of the value of the transfer for capital gains tax purposes. This value must be reported within 10 calendar days following the transaction in the manner established by the Income Administration Service.

**Deductions and allowances:** No personal allowances are granted. In the case of individuals over 65 years of age, the following are allowed: (i) an annual deduction for medical expenses of up to HNL 80,000; (ii) an additional credit of up to HNL 30,000 for the purchase of medicines, medical supplies, prostheses, orthopedic appliances, hospital beds, wheelchairs, and other related items; and (iii) a deduction of up to HNL 350,000 without the need to present any proof or submit to administrative procedures.

**Foreign tax relief:** There is no foreign tax relief.

## Compliance for individuals

**Tax year:** The tax year is the calendar year.

**Filing status:** Married couples are not required to file a joint return.

**Filing and payment:** The annual return must be filed and the tax must be paid within the first four months of the year following the tax year. Alternatively, three advance payments may be made during the tax year (in June, September, and December), with any balance due paid before 30 April of the year following the tax year. Excess tax paid will be credited against the tax liability in the next fiscal period.

Taxpayers who have had consecutive or nonconsecutive operating losses in the previous two tax years and whose gross income was at least HNL 100 million in the last tax year must make an advance tax payment of 1% of the gross income reported in the corresponding tax year. Taxpayers may credit this prepayment against their income tax in their annual income tax return.

**Penalties:** Various penalties apply for nonpayment of income taxes, ranging from 3% to 36% and from 5% to 60% in certain qualified cases. Formal penalties are applied and are calculated based on the individual's annual gross income. Income-based fines apply for failure to file the annual return.

**Rulings:** Tax rulings may be obtained in accordance with the procedures established by the competent authority depending on the taxpayer's case.

## Withholding tax

**Rates**

| Type of payment | Residents | | Nonresidents | |
|---|---|---|---|---|
| | Company | Individual | Company | Individual |
| **Dividends** | 10% | 10% | 10% | 10% |
| **Interest** | 0% | 0% | 10% | 10% |
| **Royalties** | 0% | 0% | 25% | 25% |

**Dividends:** Dividends paid to a resident or a nonresident are subject to a 10% withholding tax.

**Interest:** Interest paid to a resident is not subject to withholding tax. Interest paid to a nonresident is subject to a 10% withholding tax.

**Royalties:** Royalties paid to a resident are not subject to withholding tax. Royalties paid to a nonresident are subject to a 25% withholding tax.

**Fees for technical services:** Technical service fees paid to a resident are subject to a 12.5% withholding tax if the resident does not provide evidence of having a "local payments on account" certificate; otherwise, the rate is 0%. Technical service fees paid to a nonresident are subject to a 25% withholding tax.

**Branch remittance tax:** There is no branch remittance tax.

## Anti-avoidance rules

**Transfer pricing:** Honduras' transfer pricing rules follow the OECD guidelines. The tax authorities can make adjustments when the price of assets, goods, or services in a related party transaction is not on arm's length terms. A transfer pricing declaration is required.

**Interest deduction limitations:** Interest payments to residents or nonresidents are considered deductible expenses if the taxpayer can demonstrate that a service has been rendered, but if the interest is paid to shareholders and/or related entities, it is considered nondeductible for the applicable tax period.

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

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

**Economic substance requirements**: There are no economic substance requirements.

**Disclosure requirements**: There are no disclosure requirements.

**Exit tax**: There is no exit tax.

**General anti-avoidance rule:** Taxpayers that have had consecutive or nonconsecutive operating losses in the previous two tax years and whose gross income was at least HNL 100 million in the last tax year must make an advance tax payment of 1% of the gross income reported in the corresponding tax year. Taxpayers may credit this prepayment against their income tax in their annual income tax return.

## Sales tax

| Rates | |
|---|---|
| **Standard rate** | 15% |
| **Reduced rate** | 0% |

**Taxable transactions:** Honduras imposes a sales tax on the provision of goods and services.

**Rates:** The rate is 15% on most goods and services, and 18% on alcoholic beverages, tobacco, and first-class airline tickets. A 4% tourist tax applies in certain cases. Certain items and services are exempt.

**Registration:** Registration is required for local taxpayers.

**Filing and payment:** The sales tax return must be filed by the 10th day of each month. Penalties for nonpayment range from 5% to 60%.

## 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:** Employers are required to pay 7% of an employee's monthly salary for state welfare and 1.5% of the salary for the private contribution regime. Employees are required to pay 2.5% of their salary for state welfare and 1.5% of their salary for the private contribution regime.

Additionally, employers are required to create a labor reserve fund for their employees of 4% of the value of the monthly salary received by the employee, up to a limit of HNL 54,108.57.

All employers with more than five employees are required to contribute 1% of total payroll to the National Institute of Personal Training.

**Capital duty:** There is no capital duty.

**Real property tax:** Real property tax is imposed annually by the local governments, with the rates depending on the location of the property.

**Transfer tax:** The transfer of immovable property for consideration is subject to a transfer tax equal to 1.5% of the transfer value.

**Stamp duty:** There is no stamp duty.

**Net wealth/worth tax:** A tax applies to the total net assets of legal entities domiciled in Honduras at a rate of 1% on the taxable base, which is the difference between the value of the assets on the taxpayer's balance sheet and the deductions allowed by law; HNL 3 million of the taxable base is exempted by law.

**Inheritance/estate tax:** There is no inheritance tax or estate tax.

**Other:** Municipal and district governments impose various levies, such as the industry, commerce, and services tax imposed on businesses.

Municipal governments impose a neighborhood tax on individuals at progressive rates.

**Tax treaties:** Honduras has no income tax treaties.

**Tax authorities:** Servicio de Administración de Renta (SAR) (Income Administration Service)

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