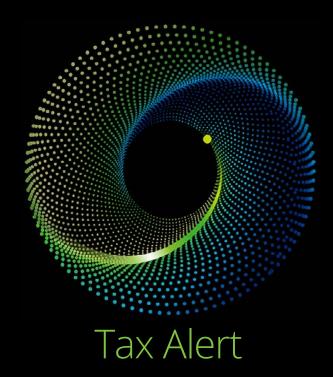
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Institutional Tax Opinion No. 2-2022 "Correlation of costs with revenue. Application of costs and expenses in the determination of the tax obligation."

The Tax Administration published on its website Institutional Tax Opinion No. 2-2022, which refers to the procedure and considerations that this entity applies in the cases in which, by virtue of its office, it determines the tax obligation when taxpayers omit revenue from their income tax returns.

The opinion states that when the tax office determines the revenue omitted under the income tax, the costs of such revenue subject to tax are not attributed. Therefore, upon collecting the omitted tax, plus fines and interest, it exceeds 100% of the omitted revenue, which is illogical and may violate constitutional provisions.

Therefore, applying the principles of legality, tax equity and justice, and capacity of payment, in the cited institutional opinion the Tax Administration establishes that in the exercise of its oversight and collection duties, it must recognize the costs and expenses when determining a taxpayer's obligation, to accurately determine the taxable income subject to income tax.

For such purpose, the Tax Administration will consider, but not be limited to, the following as a guide:



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