

CHAMBER OF DEPUTIES REJECTS TAX REFORM BILL

On March 8, 2023, the tax reform bill proposed by the government of President Gabriel Boric in July 2022, was rejected in general by the Chamber of Deputies.

With this rejection, the current proposal would end its legislative process in Congress^[1] and the government would not be able to submit another tax reform covering the same issues for a period of 1 year.

The rejected tax reform bill aimed to increase tax revenues by approximately 3.6% of the GDP through various amendments to the Chilean tax system, including an increase in personal tax rates, the incorporation of a wealth tax and a new a tax on retained earnings applicable to investment companies, among other changes.

Finally, it is important to consider that this rejection does not affect the the government's proposal to incorporate a new mining royalty -included in another bill- which is currently under discussion in the Senate. For more information on this mining royalty proposal, see [here](#).

[1] Unless the government will decide to insist on continuing its legislative process in the Senate, in which case it would require the approval of 2/3 of the senators.

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