/Carey

June 2021

LAW NO. 21,353 ESTABLISHES NEW TAX MEASURES FOR MICRO, SMALL AND MEDIUM-SIZED COMPANIES

On June 17, 2021, the Law No. 21,353 was published, which contemplates the following new tax measures to support micro, small and medium-sized companies in the context of the crisis generated by Covid-19:

• Temporary reduction of the penal interest rate for SMEs from 1.5% to 0%, for each month or fraction of a month, in case of default in the payment of all or part of any kind of taxes and contributions due.This measure applies with respect to Tax Payment Orders (giro) issued from the first day of the next month following the publication of this law and until December 31, 2021. The benefited taxpayers correspond to all the companies that meet the requirements to benefit from the Pro Pyme Regime of the Income Tax Law ("ITL").
• Option to request a refund of the excess of VAT credit determined in the tax return for the months of July, August and September 2021 (corresponding to the tax periods of June, July and August 2021).This measure applies to companies that meet the requirements to qualify for the Pro Pyme Regime and are also in the following circumstances:

• To have obtained income from sales and services of their line of business in at least 2 months, continuous or discontinuous, between January 1, 2020 and May 31, 2021.
• To register an excess VAT credit in the VAT return for the month of June 2021. This credit must originate from the acquisition of goods or the use of services between March 1, 2020 and May 31, 2021.
• Not have incurred in reiterated tax infractions nor to be formalized or charged for tax offenses.
• To have filed all VAT returns during the last 36 periods.
• To have registered all the operations that give rise to the VAT credit in the Sales and Purchases Book.

This refund may be requested only once before the Tax Authority and will be refunded by means of the effective payments made for VAT generated in the usual operations.

This news alert is provided by Carey y Cía. Ltda. for educational and informational purposes only and is not intended and should not be construed as legal advice.

Carey y Cía. Ltda.
Isidora Goyenechea 2800, 43rd Floor.
Las Condes, Santiago, Chile.
www.carey.cl

• Extension of the validity of provisional municipal license for a period of one year from the day following the end of the sanitary alert established by Decree No. 4/2020, or its extensions (currently, June 30, 2021).
• Flexibility for the granting of payment agreements by the General Treasury of the Republic ("Treasury") until December 31, 2021. Among other measures, the Treasury may grant payment facilities in installments for up to four years and must forgive all interest and penalties for late payment of taxes that are overdue as of June 30, 2021. Additionally, such agreements will not generate interest and fines if the debtor is in compliance with and maintains its payment agreement in force.This faculty is also granted to the Municipalities with respect to the commercial licenses (Articles 23 and following of Decree Law No. 3,063) and Liquor licenses (Law No. 19,925).

The content of the Law No. 21,353 can be reviewed by accessing here.

Authors: Jessica Power; Manuel José Garcés; Manuel Alcalde