

July 6, 2020

LEGAL ALERT

Law No. 21,242 establishes economic benefits for independent professionals

On June 24, Law No. 21,242 was published, establishing a transitional benefit for certain independent professionals consisting in the possibility of obtaining cash benefits for 3 months, continuously or discontinued, within the next 6 months. This benefit must be subsequently returned to the Treasury in 3 annual installments of 20%, 40% and 40% of the amount received.

The requirements and other relevant aspects of this benefit are the following:

- All independent professionals who receive revenues taxed in accordance with Article 42 No. 2 of the Income Tax Law ("ITL"), and meet the following requirements, are eligible:
 - Have issued "boletas de honorarios" (invoice for professional services) in at least (a) 3 months, continuous or discontinuous, in the 12 months prior to April 1, 2020, or (b) 6 months, continuous or discontinuous, in the 24 months prior to such date.
 - In the month prior to the month in which the benefit is claimed, their gross income has decreased by at least 30%, compared to the average gross income for the last 12 months.
 - All "boletas de honorarios" have been issued electronically. Exceptionally, in certain cases, paper invoices may be considered.
- The amount of the benefit will be calculated monthly, considering the Average Monthly Income and other rules that the same law indicates.
- The cash benefit is not subject to any tax. It is not subject to administrative withholdings, nor will it be compensated by the Treasury. Furthermore, it will not be attachable, with certain exceptions linked to alimony.
- The economic benefit received must be returned to the Treasury in three successive annual installments, without fines or interest. These installments will be paid in the annual income tax return process, the first

of which must be received in the year 2022.

- Independent professionals who receive the benefit contemplated in this law, and whose average monthly income obtained in the year 2020 and declared in the year 2021 is equal to or less than CLP\$500,000, shall be entitled to a subsidy which shall be imputed to the economic benefit received.

The administrative instructions on this benefit were issued by the Internal Revenue Service through Resolution No. 63, dated June 24.

The content of Law No. 21.242 can be reviewed by [accessing here](#).

The content of Exempt Resolution No. 63 can be reviewed by [accessing here](#).

Authors: Jessica Power; Manuel José Garcés