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Global Tax Alert

News from EY Americas Tax

Colombia issues COVID-19 tax measures

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Under the emergency state caused by the outbreak of COVID-19 in Colombia, the Colombian Government has issued some tax measures to ease the burden on taxpayers during this crisis. The Government may take additional measures in light of the 30-day state of emergency recently declared.¹ The Government also stated that all of Colombia is under quarantine from 25 March 2020 to 13 April 2020.

The dates mentioned in this Tax Alert may be extended depending on how the COVID-19 pandemic progresses.

Income tax measures

For companies, the measures delay for one week the filing of income tax returns and payments as follows:²

Large taxpayers	Financial institutions that are large taxpayers - Surtax	Standard legal entities
Tax return filing and second installment payments due from 21 April to 5 May 2020 (previously due from 14 April to 27 April 2020), depending on the last digit of the taxpayer's identification number	Income surtax first installment due from 21 April to 5 May 2020 (previously due from 14 April to 27 April 2020), depending on the last digit of the taxpayer's identification number	Tax return filing and first installment payment due from 21 April to 19 May 2020 (previously due from 14 April to 10 May 2020), depending on the last two digits of the taxpayer's identification number

The same dates apply for filing the annual tax return for assets held abroad.³

In addition, for companies engaged in hoteling services, passenger air travel services, theatrical activities and live show business activities, the due dates for income tax payments were extended as follows:⁴

Large taxpayers	Standard legal entities
Second installment payment: Until 31 July 2020 (previously from 14 April to 27 April 2020, depending on the last digit of the taxpayer's tax identification number)	First installment payment: Until 31 July 2020 (previously from 9 April to 12 May 2020, depending on the last two digits of a taxpayer's tax identification number)
Third installment payment: Until 31 August 2020 (previously from 9 to 24 June 2020, depending on the last digit of the taxpayer's tax identification number)	Second installment payment: Until 31 August 2020 (previously from 9 June to 24 June 2020, depending on the last digit of the taxpayer's tax identification number)

Indirect taxes measures

Tax reductions

The measures reduce customs duties to 0% for imports of: (i) certain medicines, medical equipment and devices (e.g., oxygen, soaps, antibacterial gel, special masks, gloves for surgery, etc.); and (ii) certain goods used in the air travel industry. The 0% customs duties will apply for six months.⁵

The value-added tax (VAT) rate was reduced to 0% for certain medical equipment (e.g., nebulizers, vital sign monitors, sphygmomanometers, defibrillators, portable x-ray machines and hospital beds, among others). During the 30-day state of emergency, the 0% VAT rate will apply to the medical equipment if certain requirements are met.⁶ The state of emergency may be extended depending on how the outbreak of COVID-19 develops.

Payment of indirect tax returns

For taxpayers engaged in hoteling services, passenger air travel services, theatrical activities and live show business activities, the VAT payment due for the March - April period (or for the January - April period, if they file the VAT return every four months) was extended to 30 June 2020 (previously from 12 May to 26 May 2020).⁷

For taxpayers engaged in the provision of alcoholic beverages in situ, cafeterias and restaurants, as well as travel agencies and tour operators, the deadline to pay the VAT and national excise tax for the March - April period (or for the January - April period if they pay the VAT every four months) was extended to 30 June 2020 (previously from 12 May to 26 May 2020, depending on the last digit of the taxpayer's tax identification number).⁸

These extensions are for the date of payment, not for filing VAT or the national excise tax returns.

Other tax measures

Colombia has suspended all tax, customs or foreign exchange procedures or actions carried out before the tax authorities from 19 March 2020 to 3 April 2020. Requests or claims submitted through the tax authorities' webpage also are suspended during those dates.⁹

In addition, tax offices (at the regional and central level) will be closed to taxpayers from 19 March 2020 to 3 April 2020. The tax authorities will provide virtual assistance to assist taxpayers with registering before the Colombian tax registry or updating the taxpayer's tax registry information.

Personnel of companies located in free trade zones (FTZs) may work outside the FTZ area by using any telecommunications equipment or technology that allows them to connect remotely. Normally, companies located in FTZs must undertake all their activities within the physical location of the FTZ to access the tax and customs benefits granted under the FTZ regime. This measure allows technical equipment to be taken out from the FTZ to ensure personnel can connect remotely without the loss of the tax and customs benefits. The tax authorities will implement some control procedures for these purposes.¹⁰

Additionally, the tax authorities have postponed the due date for the filing of the tourism contribution form and payment for the first quarter of 2020 to 29 July 2020 (previously 20 April 2020).¹¹

Some local governments also are postponing some filings and/or payments of some local taxes. Taxpayers should determine what the due dates are for the local jurisdiction in which they are located, as the approaches vary in each jurisdiction.

Endnotes

1. Decree 417 of 18 March 2020.
2. Please note that other deadlines for certain filings, such as the so-called magnetic media reports have not been extended so far.
3. Decree 435 of 19 March 2020.
4. Decree 401 of 13 March 2020.
5. Decree 410 of 16 March 2020 and Decree 463 of 22 March 2020.
6. Decree 438 of 19 March 2020.
7. Decree 401 of 13 March 2020.
8. Decree 435 of 19 March 2020.
9. Resolution 000022 of 18 March 2020.
10. Decree 411 of 16 March 2020.
11. Decree 397 of 13 March 2020.

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