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Global Tax Alert

News from EY Americas Tax

Uruguay's Ministry of Economy and Finance submits bill to reduce rural real estate contribution rate

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Uruguay's Ministry of Economy and Finance submitted a bill to the General Assembly that would reduce the rural real estate contribution rate from 1.25% to 1.025% for 2020.

The reduction would apply to taxpayers that do not own more than 1,000 hectares of rural real estate and use that property for agricultural purposes.

The benefit would apply to the following departments (i.e., in Uruguay, departments are the equivalent of states): Colonia, San José, Florida, Canelones, Maldonado, Lavalleja, Montevideo, Rocha and Treinta y Tres.

To obtain the reduced contribution rate, a taxpayer would have to submit an affidavit to the states reporting that they were using rural real estate property as of 1 January of the previous year and the value of each property. The taxpayer would have to submit the affidavit within 120 days of the date of enactment.

If the taxpayer already made tax payments that exceeded the annual amount of the contribution, the taxpayer would have a credit, which could be applied to the following year's corresponding tax payment.

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