

Peru modifies requirements for deducting wasted goods for income tax purposes

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On 21 April 2020, Peru's Executive Power issued Supreme Decree 086-2020-EF, modifying the requirements for deducting "wasted goods" for income tax purposes.

Previously, the taxpayer had to notify the tax authorities at least six days before the wasted good were destroyed. Under the Supreme Decree, the taxpayer must notify the tax authorities at least two business days before the date the wasted goods will be destroyed before a public notary or a judge.

If the cost of goods to be destroyed plus the cost of goods destroyed in the same tax year equals 10 Tax Units (approx. US\$12,300), the taxpayer does not have to destroy the wasted goods before a public notary or a judge. The tax authorities will accept as proof that the wasted goods have been destroyed, a report with detailed information, provided the taxpayer notifies the tax authorities of the destruction of the wasted goods two business days before the day of the destruction.

The report for the destruction of any kind of wasted goods between 22 April and 31 July should be communicated to the tax authorities two business days before the destruction at the following email address: comunicaciones_desmedros@sunat.gob.pe.

Taxpayers that have already destroyed wasted goods and did not follow the procedure because of the COVID-19 national emergency can support the destruction with a report filed within five business days counted from 1 August 2020, or the extended deadline established by the tax authorities.

Supreme Decree 086-2020-EF went into effect on 22 April 2020.

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