

# Global Tax Alert

News from EY Americas Tax

## Uruguay's tax authorities expand corporate income tax benefits for software providers

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Uruguay's tax authorities issued Resolution No. 1,716, expanding the corporate income tax exemption for income from software development services.

Under the general regime, income derived from software development services is exempt from corporate income tax, provided, among other things, that more than 50% of the direct costs and expenses necessary to render the software services is incurred in Uruguay.

The Resolution expands the corporate income tax exemption for income from software development services by allowing 30% of the direct costs and expenses incurred outside Uruguay to be treated as incurred in Uruguay. This benefit applies only to tax years beginning from 1 January 2020 to 31 December 2020.

The Resolution requires software providers to meet certain requirements to claim the exemption.

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