

	Category I: No reform (at least not in short run)	Category II: Reform is desirable	Category III: Reform is conditioned	Category IV: Unclear whether to reform or not
VAT exclusions	<ul style="list-style-type: none"> ▪ Real estate services to individuals ▪ Public administration services, mandatory social security services ▪ Support services to public services ▪ Human health care ▪ Education services ▪ Financial and related services ▪ Domestic services 	<ul style="list-style-type: none"> ▪ Recreational services ▪ Cultural activities ▪ Sports activities ▪ Transportation support services ▪ Other chemicals and artificial fibres ▪ Crude oil ▪ Basic chemicals ▪ Paper and paper products, printed material and related articles ▪ Certain telecommunications services, including transmission and information provision services ▪ The VAT excluded internet connection and Access services ▪ Cloud computing, hosting and web design ▪ Advertising on radio and TV ▪ Computers for personal use of less than 50 tax units and tables and cell phones of less than 22 tax units ▪ Coal, lignite and peat ▪ Rubber and plastic products ▪ Certain engines and tires ▪ Transport in general (except passenger transport by road or rail) ▪ Consulting services provided by education centers 	<ul style="list-style-type: none"> ▪ Agricultural and horticultural products ▪ Passenger transport ▪ Natural gas ▪ Support services to agriculture sector, including insecticides and fertilizers ▪ Electricity, gas and water as well as the linked distribution services ▪ Meat, fish, fruits, vegetables, oils and fats ▪ Natural water ▪ Machinery of agricultural use ▪ Territorial exclusions 	<ul style="list-style-type: none"> ▪ Sewage, collection, treatment and disposal of waste
VAT exemptions	N/A	<ul style="list-style-type: none"> ▪ Scientific and cultural books, newspapers, magazines and periodicals ▪ Beef, pork meat, meat of sheep, goats ▪ Mixed biodiesel ▪ Fuel alcohol ▪ The VAT exempt internet connection and access services ▪ Weapons and ammunition (insofar sold to private individuals and nongovernmental organizations) ▪ Motorcycles ▪ VAT Holidays 	<ul style="list-style-type: none"> ▪ Rice, milk, cream, eggs, fish, cheese ▪ Bicycles ▪ Sanitary napkins and towels 	N/A
VAT reduced rates	<ul style="list-style-type: none"> ▪ Electric vehicle engines ▪ Electric motor vehicles for the transport of people ▪ Electric motorcycles and bicycles up to 50 tax units 	<ul style="list-style-type: none"> ▪ Mobile cell phone services (currently taxed under the national consumption tax at the rate of 4%) ▪ Gasoline and diesel ▪ Brandy and rum ▪ Table chocolate ▪ Sugar 	<ul style="list-style-type: none"> ▪ Wheat or meslin flour and other cereals ▪ Uncooked pasta, pasta with egg and others ▪ All types of coffee products ▪ Farm equipment, storage of agricultural products ▪ Preparations used in animal feed 	N/A

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		<ul style="list-style-type: none"> Wines and cider Whisky, brandy, vodka and their concentrates, creams and other beverages 	<ul style="list-style-type: none"> 	
Non-taxable income	<ul style="list-style-type: none"> Non-taxable dividends 	N/A	<ul style="list-style-type: none"> Non-substantial sale of shares 	N/A
Exempt income	N/A	N/A	<ul style="list-style-type: none"> Profits of "Orange" economy Profits of the farming sector Profits of plantations Profits from the renewable energy sector 	<ul style="list-style-type: none"> Income of pension funds
Non-standard deductible costs	<ul style="list-style-type: none"> Accelerated tax depreciation allowances 	<ul style="list-style-type: none"> Deduction of donations above the value of the donation 	<ul style="list-style-type: none"> Financial transaction tax 	<ul style="list-style-type: none"> Business immovable property tax
Reduced tax rates	N/A	<ul style="list-style-type: none"> Reduced corporate income tax rates (in particular the 9% rate) 	<ul style="list-style-type: none"> Reduced corporate income tax rates (in particular 27% rate) 	<ul style="list-style-type: none"> Surtax for financial sector
Tax credits	<ul style="list-style-type: none"> Foreign tax credit 	<ul style="list-style-type: none"> Credit for donations 	<ul style="list-style-type: none"> Credit for VAT on investment in fixed assets Credit for municipal business turnover tax 	<ul style="list-style-type: none"> Other CIT credits
Special regimes	<ul style="list-style-type: none"> Non-profit organization. CHC (Colombian holding) regime. 	<ul style="list-style-type: none"> Non-profit organization (in particular the 20% reduced CIT rate that applies) ZOMAC and ZESE Construction (profits from social housing) 	<ul style="list-style-type: none"> Mega investments regime 	N/A
Special rules for determining taxable income	N/A	N/A	<ul style="list-style-type: none"> Banking and insurance sector, construction, international transport, petrol stations. 	N/A
Non-taxable and exempt income and gains	<ul style="list-style-type: none"> Damage insurance Assets from divorce Student support Pension social security contribution Health social security contribution Limited liability companies' liquidation profits Profit from property sales (1978-1986) Reforestation initiatives Previously taxed dividends 	<ul style="list-style-type: none"> Dividends from Mega-investments Compensation for work-related accidents Maternity leave Severance payments Pensions Military and police salaries Judge and prosecutor salaries Representation fees of Deans/Professors Voluntary pension contributions Voluntary construction savings contributions Employer education and health payments Employee food payments Private use of a company car Undervaluation of immovable property gains Undervaluation of inheritances Undervaluation of donations Life insurance proceeds 	<ul style="list-style-type: none"> Sale of shares listed on the Colombian Stock Exchange Capital gains out of untaxed profits Profits used to repurchase shares 	<ul style="list-style-type: none"> Inflation on capitalized income and interest Investments for mining and hydrocarbon exploration Inheritances Donations Gains from immovable property CFC dividends and benefits Sale of shares of a CFC
Tax provisions targeted at the	N/A	<ul style="list-style-type: none"> Coffee growers' labor costs Investments in listed agricultural firms 	<ul style="list-style-type: none"> Perennial crops (pre2014) Productivity enhancing investments 	N/A

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agricultural sector			<ul style="list-style-type: none"> VAT Exclusions Agricultural tourism 	
ZOMAC y ZESE	N/A	<ul style="list-style-type: none"> ZOMAC ZESE 	N/A	<ul style="list-style-type: none"> N/A
General income	<ul style="list-style-type: none"> Health and pension mandatory social security contributions 	<ul style="list-style-type: none"> Labor income deduction (25%) Exempt income and deductions ceiling Exceptions to exempt income and deductions ceiling Private pension and health contributions (exempt income) Preferential saving accounts (including AFC and AVC) Mortgage interest relief 	N/A	<ul style="list-style-type: none"> Business expenses deductions Private health insurance contributions Capital income costs Taxation of real versus nominal return of interest income and other types of financial returns Dependent support deduction
Pensions	<ul style="list-style-type: none"> Pensioners' health SSCs 	<ul style="list-style-type: none"> Tax exempt pension income 	N/A	N/A
Dividends	N/A	<ul style="list-style-type: none"> N/A 	N/A	<ul style="list-style-type: none"> Dividends (below 300 tax units)
Occasional income	N/A	<ul style="list-style-type: none"> Undervaluation of immovable property gains Undervaluation of inheritances Undervaluation of donations Undervaluation of fringe benefits, including goods received Life insurance compensation 	<ul style="list-style-type: none"> Profits from the sale of shares registered in the Colombian stock market 	<ul style="list-style-type: none"> Real estate capital gains Heirs' inheritance (first 7.700 tax units) Heirs' and spouse's inheritance allowance (first 3.490 tax units) Inheritances of non-heirs and non-spouses
SIMPLE	N/A	N/A	Credit for employer pension contributions	N/A
FTZ regimes	<ul style="list-style-type: none"> Reduced corporate income tax rate Local business tax exemption Tax treatment of distributed dividends 	<ul style="list-style-type: none"> Business property tax exemption Transitory FTZs Indirect tax treatment 	N/A	N/A