

# Global Tax Alert

News from Americas Tax Center

## Mexican Tax Administration issues Amendments to Miscellaneous Tax Regulations on tax incentives for the northern border region

### **NEW!** EY Tax News Update: Global Edition

EY's new Tax News Update: Global Edition is a free, personalized email subscription service that allows you to receive EY Global Tax Alerts, newsletters, events, and thought leadership published across all areas of tax. Access information about the tool and registration [here](#).

### **EY Americas Tax Center**

The EY ATC brings together the experience and perspectives of over 10,000 tax professionals across the region to help clients address administrative, legislative and regulatory opportunities and challenges in the 33 countries that comprise the Americas region of the global EY organization. Access more information [here](#).

On 28 March 2019, the Mexican Tax Administration (SAT for its Spanish acronym) released, on its website, the draft of the Ninth Resolution of Amendments to the 2018 Miscellaneous Tax Regulations (MTRs). The proposed amendments provide additional rules for the application of the northern border region tax incentives.<sup>1</sup> The amendments are not effective until they are published in the *Official Gazette*.

The amendments extend the deadline for filing the notice to enroll in the value added tax (VAT) registry from 7 February 2019 to 30 June 2019. Taxpayers may claim the VAT benefits once they receive an acknowledgment from the SAT that it has received the notice.

The amendments to the MTRs also clarify that: (1) taxpayers included on the list of non-compliant taxpayers as a result of fines being canceled may apply for the VAT tax incentive; (2) taxpayers that have performed any business with non-compliant taxpayers may apply the income tax and VAT incentives, provided that their tax situation is amended (i.e., they no longer do business with the non-compliant taxpayers) before the tax incentive request including the supporting documentation; and (3) certain tax incentives may be combined with the tax incentives for the northern border region, such as:

- ▶ The profit-sharing reduction, which allows profit sharing to be divided into nine monthly payments
- ▶ 5% additional deduction for donations of food or health items
- ▶ 25% additional salary deduction for hiring disabled people, as well as older adults (more than 65 years)
- ▶ A 16% VAT credit that may be claimed in the same month the credit is generated for the taxpayers with Maquila Authorization (IMMEX)
- ▶ Tax incentive on production and services related to the import and disposal of fuel, diesel and non-fossil fuels

---

## Endnote

1. For additional information on the MTRs related to the northern border region tax incentives, see EY Global Tax Alerts, [Mexico issues special tax incentives for businesses in border zone](#), dated 9 January 2019, [Mexico releases draft Miscellaneous Tax Regulations on tax incentives for northern border zone](#), dated 22 January 2019, and [Mexico: Amendments to Miscellaneous Tax Regulations for overpayments and tax incentives for the northern border region are effective](#), dated 4 February 2019.

For additional information with respect to this Alert, please contact the following:

**Ernst & Young LLP (United States), Latin American Business Center, New York**

- ▶ Ana Mingramm                      ana.mingramm@ey.com
- ▶ Enrique Perez Grovas            enrique.perezgrovas@ey.com
- ▶ Calafia Franco                    calafia.francojaramillo@ey.com
- ▶ Jose Manuel Ramirez            jose.manuel.ramirez@ey.com
- ▶ Pablo Wejcman                    pablo.wejcman@ey.com

**Ernst & Young LLP (United States), Latin American Business Center, Chicago**

- ▶ Alejandra Sanchez                alejandra.sanchez@ey.com

**Ernst & Young LLP (United States), Latin American Business Center, Miami**

- ▶ Terri Grosselin                    terri.grosselin@ey.com

**Ernst & Young, LLP (United States), Latin America Business Center, San Diego**

- ▶ Ernesto Ocampo                   ernesto.ocampo@ey.com
- ▶ Elias Adam                        elias.adambitar@ey.com

**Ernst & Young LLP (United States), Latin America Business Center, Houston**

- ▶ Francisco Noguez                  javier.noguez@ey.com

**Ernst & Young LLP (United Kingdom), Latin American Business Center, London**

- ▶ Jose Padilla                        jpadilla@uk.ey.com

**Ernst & Young Tax Co., Latin American Business Center, Japan & Asia Pacific**

- ▶ Raul Moreno, *Tokyo*                raul.moreno@jp.ey.com
- ▶ Luis Coronado, *Singapore*        luis.coronado@sg.ey.com

#### About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit [ey.com](https://ey.com).

Americas Tax Center

© 2019 EYGM Limited.  
All Rights Reserved.

EYG no. 001561-19Gbl

1508-1600216 NY  
ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, or other professional advice. Please refer to your advisors for specific advice.

**[ey.com](https://ey.com)**