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# Global Tax Alert

News from Americas Tax Center

## Panama establishes tax amnesty program

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On 4 April 2019, Panama issued Resolution 201-0893 of 2019 to establish the procedure for the tax amnesty program enacted as part of Law 79 of 2019 on 25 March 2019. Under the tax amnesty program, taxpayers may pay their past-due property tax and social security contributions on or before 30 June 2019, without the imposition of fines, interest and surcharges. Law 79 of 2019 is retroactively effective to 1 January 2019.

For social security contributions, the tax amnesty applies to: (1) independent contractors and employees who received salaries and professional fees; (2) employers that are in default; and (3) government ex-employees under Law 25 of 1990.

Additionally, the tax amnesty allows taxpayers that updated their property tax records and, as a result, must pay past due property tax to enter into a payment arrangement for up to two years. Independent contractors and employees who received salaries and professional fees also may enter into a payment arrangement for past due social security contributions.

### **Resolution 201-0893 of 2019**

Taxpayers may submit the application for the tax amnesty program on the tax authorities' website or at any of the tax authorities' branches. Additionally, the tax authorities may automatically grant the tax amnesty when taxpayers make their tax payments.

To request the tax amnesty benefit for property tax, a taxpayer must submit Form 621. When making property tax payments, taxpayers must use code 130. Taxpayers may make a one-time payment in full or multiple payments, but the balance must be completely paid on or before 30 June 2019. If the taxpayer fails to pay the full balance on or before 30 June 2019, the tax amnesty benefits will not apply.

For social security contributions, taxpayers must submit Form 986 to request the tax amnesty benefit and make their payments using code 724. Like the property tax payments, taxpayers may make a one-time payment in full or multiple payments. The balance, however, must be completely paid on or before 30 June 2019, for the tax amnesty benefits to apply.

Taxpayers may request a payment arrangement by submitting Form 752. The tax authorities will treat Form 752 the same as a payment settlement agreement initiated through the filing of Form 600. If a taxpayer fails to pay the full amount within the designated period set out in the arrangement, the payment arrangement will be void and the taxpayer will be liable for the full amount of the tax due before the arrangement and any surcharges and interest on that amount.

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Americas Tax Center

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