

# TaxNews

Guatemala – February 2011. Bulletin No. 2/11

## The Government's tax office (SAT) is authorized to waive tax fines and surcharges



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On February 17, 2011 Executive Order No. 46-2011 was published in Diario de Centroamerica (the Official Gazette) . The Order provides as follows:

**“Section 1. Partial waiver of tax fines and surcharges.** SAT is authorized, by request of taxpayers or tax agents, and as provided by this Executive Order to partially waive tax fines and surcharges assessed to taxpayers for not meeting their tax obligations within legal terms or for administrative acts or omissions through any tax periods ended December 31, 2010.

**Section 2. Scope of waiver.** The power to partially waive, authorized by this Executive Order shall apply to any overdue fines or surcharges imposed by application of the Tax Code or other specific laws over substantive or formal obligations unmet by taxpayers and under judicial review or any other legal venue collection proceedings irrespective of whether the related taxes have been already paid for. The interested taxpayers or tax agents shall accept n their request for partial waiver the tax adjustments, fines and surcharges assessed by SAT and shall demonstrate having paid already the taxes due or having complied with the omitted formal obligation, as appropriate, within the terms this Order does set forth.

**Section 3. Terms and waiver percentages.** Any taxpayer or tax agent who voluntarily settles its unmet substantive or formal obligations shall be entitled to the following waiver percentage rebates:

1. 95% of fines and surcharges if the taxes, and the corresponding fines and surcharges are paid or formal obligations are met within the date when this Order is effective and March 31, 2011.
2. 90% of fines and surcharges if the taxes, and the corresponding fines and surcharges are paid or formal obligations are met during April 2011.
3. 85% of fines and surcharges if the taxes, and the corresponding fines and surcharges are paid or formal obligations are met during May and June 2011.
4. 75% of fines and surcharges if the taxes, and the corresponding fines and surcharges are paid or formal obligations are met during July and August 2011.

The foregoing waivers may also apply, at taxpayer or tax agent request , to overdue fines and surcharges. This Order shall not apply to fines and surcharges taxpayers might have already paid for.

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## ***The Government's tax office (SAT) is authorized to lift tax fines and surcharges (continued)***



Taxpayers or tax agents shall advise the corresponding legal venue on those cases under legal collection proceedings when a partial exemption of fines and surcharges is approved and those charges are paid, as provided by this Order.

**Section 4. Application.** SAT shall issue any regulations considered necessary to apply the contents of this Order.

**Section 5. Effectiveness.** This Order shall be effective within five days following its publication in the Official Gazette.

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