

# Chile Tax Guide





**Baker Tilly Chile**  
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Offices in Santiago, Viña del Mar and Punta Arenas

A. Direct taxation: Companies	
1. Resident companies	
Residence	A company is resident in Chile if it is incorporated in Chile
Tax base	Worldwide
Corporate tax rates	25% or 25.5%
Alternative minimum tax	No
Capital gains	Yes, part of business income Listed shares exempt (under conditions)
Loss carry-forward	Yes, indefinitely
Loss carry-back	No
Unilateral double taxation relief	Yes, ordinary tax credit method (with restrictions) and deduction method
2. Non-resident companies	
Corporate tax rates	35% (business income tax paid is creditable) 25% or 25.5% for PEs of non-resident companies
Capital gains on sale of shares in resident companies	Yes, part of business income (also subject to non-resident income tax, but business income tax paid is creditable) Listed shares exempt (under conditions)
Capital gains on sale of immovable property	Part of business income if immovable property forms part of business assets Otherwise, not taxable
Withholding tax rates	
Branch profits	Yes, 35% (business income tax paid is creditable)
Dividends	35% (business income tax paid is creditable)
Interest	35%, 4, 0% (interest paid by Chilean banks to foreign banks)
Royalties	30%, 20%, 15%, 0%
Fees (technical)	15% (20% under certain conditions)
Fees (management)	15% (20% under certain conditions)

3. Specific issues	
Participation relief	Inbound dividends: no Outbound dividends: no
Group treatment	No
Incentives	Foreign investment statute Foreign institutional investors Business platform regime Foreign investment funds Several exemptions from taxation of capital gains Special regime for income from bonds Research and development credit Regional incentives
Anti-avoidance	
Transfer pricing legislation	Yes
Thin capitalisation legislation	Yes
Controlled foreign company legislation	Yes
General anti-avoidance rule (GAAR)	Yes
Other anti-avoidance legislation	Tax haven legislation
B. Direct taxation: Individuals	
1. Resident individuals	
Residence	Individuals present in Chile for more than six months in one calendar year or two consecutive calendar years are residents. Persons domiciled in Chile (individuals that have the intention to stay in Chile on a permanent basis) are also subject to tax as residents
Taxable income	Worldwide
Income tax rates	Progressive Top rate 35% (over 120 annual tax units)
Alternative minimum tax	No
Capital gains	Yes, part of business income (with credit for business income tax paid) Special final tax or exemption (under conditions)
Unilateral double taxation relief	Yes, ordinary tax credit method (with restrictions) and deduction method
Social security contributions	10% of salaries for pensions plus commission fee for pension fund management services 7% for health services
2. Non-resident individuals	
Income tax rates	35% (business income tax paid is creditable)
Capital gains on sale of shares in resident companies	35% (business income tax paid is creditable) Tax exemption under conditions
Capital gains on sale of immovable property	35% (business income tax paid is creditable) Tax exemption under conditions
Withholding tax rates	
Employment income	35%, 20%, 15%
Dividends	35% (business income tax paid is creditable)
Interest	35%, 4%
Royalties	30%, 20%, 15%
Fees (technical)	15% (20% under certain conditions)
Fees (directors)	15% (20% under certain conditions)

C. Indirect taxation: Value added tax (VAT)/Goods and services tax (GST)	
Taxable events	Supply of goods, supply of services, importation
VAT/GST (standard)	19%
VAT/GST (reduced)	No
VAT/GST (increased)	No
Registration/deregistration threshold	No
VAT group	No
D. Other taxes	
Inheritance and gift taxes	Yes
Net wealth tax (individual)	No
Net wealth tax (corporate)	No, but annual business licence fee as percentage of capital
Real estate taxes	Yes
Capital duty	No, but annual business licence fee as percentage of capital
Transfer tax	No
Stamp duty	Yes
Excise duties	Yes
Other main taxes	Special tax on mining income
E. General information	
Sources of tax law	Income Tax Law ( <i>Ley sobre Impuesto a la Renta</i> ,LIR) VAT Law ( <i>Ley sobre Impuesto a las Ventas y Servicios</i> ,IVA) Tax Code ( <i>Código Tributario</i> ) Real Property Tax Law ( <i>Ley sobre Impuesto Territorial</i> ) Stamp Tax Law ( <i>Ley sobre Impuesto de Timbres y Estampillas</i> )
Main types of business entities	Joint-stock company ( <i>sociedad anónima</i> ,SA) Simplified joint-stock company ( <i>sociedad por acciones</i> ,SpA) Limited liability company ( <i>sociedad de responsabilidad limitada</i> ,SRL)
Accounting principles	IFRS
Currency	Chilean peso (CLP)
Foreign exchange control	No
Official websites	<a href="#">Tax Administration</a> <a href="#">Ministry of Finance</a> <a href="#">Congress Library</a> <a href="#">Treasury</a>

Last reviewed: 14 February 2017

Effective date: 1 January 2017

# Tax Compliance

Last reviewed: 1 April 2016

## Corporate Tax

### 1. Tax return and tax payment

Filing deadline	If tax is payable: 2 May If no tax is payable: 9 May
Payment deadline	2 May

## Individual Tax

### 1. Tax return and tax payment

Filing deadline	If tax is payable: 2 May If no tax is payable: 9 May
Payment deadline	2 May

## Indirect Tax

### 1. Tax return and tax payment

Filing deadline	12 <sup>th</sup> day of the month following the month in which the withholding tax was applied
Payment deadline	12 <sup>th</sup> day of the month following the month in which the withholding tax was applied

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