

Ruling waiving the payment of debts, fiscal fines, surcharges and enforcement expenditures as well as the granting of administrative benefits

On April 15 the “General ruling waiving the debts, fiscal fines, surcharges and ordinary enforcement expenditures of contributions and the granting of the administrative benefits that are indicated” (“Ruling”) was published in the *Official Gazette of Mexico City*.

The Ruling establishes a benefit waiving 100% of the fiscal fines, surcharges and ordinary enforcement expenditures, for debts payable as of the date of application of the Ruling. Therefore, taxpayers will pay only the principal due plus its indexation.

To apply the benefits contained in the Ruling, the period to regularize the fiscal debts will be from April 15 to July 31, 2019.

The contributions for which the benefit of waiving fiscal fines, surcharges and ordinary enforcement expenditures may apply are the following:

- I.- Tax on Acquisition of Real Estate;
- II.- Real Estate Tax;
- III.- Tax on Public Billboards;
- IV.- Tax on Lotteries, Raffles, Drawings and Contests;
- V.- Payroll Tax;
- VI.- Vehicle on Ownership or Use Tax;
- VII.- Tax on Providing Lodging Services;
- VIII.- Water Supply Fees;
- IX.- Drainage Discharge Fees; and
- X.- Vehicular Control Fees (Renewal).

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It should be mentioned that this benefit is also applicable to the fiscal fines for infractions of the tax provisions other than payment obligations.

The Ruling establishes specific requirements for the payment of fiscal debts depending on the contribution in question, such as obtaining the payment form by internet or the need to visit the offices of the corresponding authority.

It is important to mention that the fiscal debts may be paid with a credit card on a monthly basis. However, that option involves the payment of an additional charge of 8% on the indexed contribution.

Furthermore, the Ruling establishes that the taxpayers that apply its benefits, or are up to date, will also have the debts prior to fiscal year 2014 of such contributions waived. This waiver also includes the indexations, surcharges, fines and ordinary and extraordinary enforcement expenditures, without the benefited taxpayers needing to carry out any process or additional step.

Notwithstanding the above, it is important to mention that taxpayers that are processing a decrease, a limitation and/or expiration statement, once the waiver is applied, those procedures will be considered withdrawn.

Additionally, it is established that taxpayers that have challenged the validity of the contributions determined, in order to obtain the benefits of the Ruling, must withdraw from those means of defense and evidence this before the fiscal authority responsible for the application of the Ruling.

The benefit of a waiver will not be valid in the case of taxpayers that are linked with a criminal proceeding for the presumption of a fiscal crime, established in the Fiscal Code of Mexico City, nor for those that provide false documentation or information or omit it, without prejudice of any liabilities that may apply.

It is important to mention that any fiscal debts that have been paid prior to apply the benefits of the Ruling will not be refunded or compensated.

Finally, in the Ruling it is specified that the waiver will not be valid in the case of non-fiscal administrative fines and that, in terms of the Fiscal Code of Mexico City, the accumulation of fiscal benefits to be applied to the same contribution and fiscal year will also not be valid.



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Sincerely,

Von Wobeser y Sierra, S.C.

Mexico City, April 18, 2019.