

## New Payroll Tax obligation in Mexico City

In recent days the “Decree amending provisions of the Mexico City Tax Code” (“**Decree**”), was published in the Official Gazette of Mexico City, which entered into force on January 1, 2021.

The amendments to the Mexico City Tax Code include the addition of article 156 BIS which establishes the obligation of individuals or entities that contract or subcontract services provided by a contractor, in terms of the applicable regulations, to file before the Ministry of Administration and Finance of Mexico City (“**Ministry**”) a notice within 10 days from executing or amending such contract (“**Notice**”).

This is regardless of what those services are called and even when the payment for remuneration for the personal subordinated work is made through another person.

The Notice must attach the original or a certified copy of the respective contract and indicate the number of workers that provide the relevant services, as well as the name or company name, the Federal Taxpayer Registry number and the domicile of the contractor.

It is also established that the Ministry can request the obligated persons (but without indicating under what circumstances it may do so) to file the Notice, which request must be met within 10 days. The failure to file the Notice or its untimely filing will be sanctioned with a fine ranging from \$3,713.00 to \$9,413.00 Mexican pesos.

Finally, transitory article thirty-seven of the Decree establishes that the obligated persons must file, within 30 calendar days following the entrance into force of the Decree (by January 31, 2021), the Notice of the contracts that are in force as of January 1, 2021, regardless of their date of execution or amendment.

To obtain additional information contact our experts:

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S I N C E R E L Y

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