

Upcoming payment of corporate taxes for fiscal year 2019 – Costa Rica

January 11, 2019

January 31 is the deadline for payment of the corporate taxes for fiscal year 2019 for all legal entries in Costa Rica. Make sure you pay your taxes by this date to avoid fines or interest fees.

The Corporate Tax Law indicates that failure to pay corporate taxes for three consecutive fiscal years is cause for dissolution of the company.

Corporate taxes apply to all commercial legal entities, branches of foreign companies or their representatives and limited liability companies which are currently registered at the Registry of Legal Entities section of the National Registry, as well as those that will be registered in the future.

Legal entities that are duly registered at the Registry of Legal Entities section of the National Registry, but not registered as taxpayers before the General Tax Authorities, must pay corporate taxes in an amount equal to 15% of one monthly base salary, as stated in Law 7337. The base salary for 2019 has been set at ₡446,200 colones, approximately USD\$737.

The amount of taxes will be determined based on the gross income reported during the prior fiscal year (2018), in accordance to the following brackets:

| Reported Gross Income | Taxes Due | Tariff |
|--|-----------|-------------|
| Up to 120 base salaries | 25% | ₡111,550.00 |
| From 120 base salaries up to 280 base salaries | 30% | ₡133,860.00 |
| 280 base salaries or higher | 50% | ₡223,100.00 |

Those who fail to pay on time must pay a penalty to 50% of one monthly base salary for each month or fraction of a month, up to a maximum penalty of three base salaries. Duly registered micro-enterprises may be exempted from the payment of corporate taxes.

Furthermore, it is important to bear in mind that all legal entities that are not registered as taxpayers before the General Tax Authorities to this date, are obligated to do so by filing a D-140 with the Tax Administration.

Tax specialists at Dentons Muñoz will gladly provide you with advice in any matter regarding Corporate Taxes. To obtain legal advice in Corporate and Tax Law, do not hesitate to contact us.

Your Key Contacts



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