TAX REFORMS

Fiscal policy can be a powerful instrument for income redistribution, which is key to inclusive development, according to the Economic Commission for Latin America and the Caribbean (ECLAC). We present here which countries in the region have made tax reforms and in what areas, in 2014 and the first half of 2015.

Reforms related to income tax

↑ increase | ↓ decrease

On companies

Taxes	Chile ↑	Colombia ↑	Ecuador ↑	Honduras ↑	Dominica ↓	Peru ↓	
Tax bases	Brazil ↑	Chile ↑	Ecuador ↑	El Salvador ↑	Honduras ↑	Uruguay ↑	Venezuela ↑

On individuals

Taxes	Honduras ↑	Chile ↓	Peru ↓	St.Lucia ↓			
Tax bases	Chile ↑	Venezuela ↑	Honduras ↑	Dominica ↓	Peru ↓	Uruguay ↓	St.Lucia ↓

Reforms related to wealth and financial transaction taxes

Extraordinary taxes on wealth: Colombia

Increase in taxes on financial transactions or the introduction of new taxes: Brazil | Colombia | Chile | Ecuador | El Salvador

Reforms related to goods and services

Introduction of theValue- Added Tax (VAT): Bahamas

Changes to VAT

In rates	Honduras ↑	Paraguay ↑	Peru ↓	Uruguay ↓	Venezuela ↑
In tax bases	Chile ↑	Honduras ↓	Paraguay ↑	Uruguay ↓	

Extension of VAT-related tax incentives: Uruguay

Increase of specific tax rates on tobacco and/or alcoholic and sugary drinks: Brazil ↑ | Chile ↑ | Ecuador ↑ | Honduras ↑ | Panama ↑ | Uruguay ↑ | Venezuela ↑

Contributions related to hydrocarbons, fuels or minerals: Argentina ↓ | Colombia ↑ | Guatemala ↑ | Honduras ↑ | Mexico ↑ | Panama ↑

Taxes that affect vehicles and means of transportation: Guatemala ↑ | Honduras ↑ | Panama ↑

Duty changes: Colombia ↓ | Haiti ↑

Green taxes: Chile ↑ | Peru ↑

ECLAC declares that tax systems must contribute to equality of rights in the region.

Tax policies must promote productive investment and innovation in SMEs.

Tax avoidance and evasion should be fought off, preferential treatments reduced and taxation over capital income strengthtened.

ECLAC

Source: ECLAC, Fiscal Panorama of Latin America and the Caribbean 2015. http://bit.ly/1EYYEGY