Clase 1

W: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ?

D: Well, income tax is normally self-assessed by taxpayers on their own tax return. The tax administration is entitled to make an official assessment of income tax if: the taxpayer does not file an income tax return; the taxpayer fails to provide information or clarifications as required by the tax administration or if the taxpayer’s return is not accurate.

W: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_?

D: Well, taxpayers taxed on their actual income may choose to assess and pay income tax according to one of two methods: they may compute the actual taxable income quarterly, thus assessing and paying income tax on actual profits on a quarterly basis. In this case no annual income tax is due as income tax on actual profits has been paid quarterly. On the other hand, they may assess the actual taxable income annually. In this case, the taxable base is calculated by applying a given percentage on the monthly gross income. The tax has to be paid monthly and is treated as an advance payment. This advance payment, of course, is creditable against their final tax liability.

W: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_?

D: As a matter of fact, legal entities whose total gross income – including capital gains – did not exceed $$ 12 million in the previous year may choose to be taxed on deemed profits. Under this regime, taxable income is considered to be, in general, 8% of the taxpayer’s monthly turnover. So the tax is assessed by applying the corporate income tax rate on the taxable base. The tax is accounted for on a monthly basis and must be paid in the month of accrual of income.

1. These two methods seem quite clear. Yet, there is something I don't seem to understand. Why do you speak of taxpayers taxed on actual profits? What do you mean by "actual"?
2. How flexible is the system? I mean, are there remedies available for the taxpayer who is not satisfied with an official assessment?
3. Who are considered to be taxable persons for Corporate Income Tax purposes?
4. So, how are they taxed?
5. Are there different tax brackets for corporate income tax?
6. How about tax accounting, does it differ very much from traditional book accounting?
7. Is there any specific statute of limitations as regards audits by the tax administration?
8. How hard are tax regulations in your country?
9. How are taxpayers assessed for income tax purposes?
10. How do the country’s tax regulations define the concept of "income"?
11. You haven't mentioned joint ventures, have you?
12. How often are companies required to file their tax returns?
13. And what happens if this percentage results in an overestimation of income, that is, if the company's profit margin is smaller?
14. That means, it applies to companies which post profits in excess of $$ 240,000 per year…