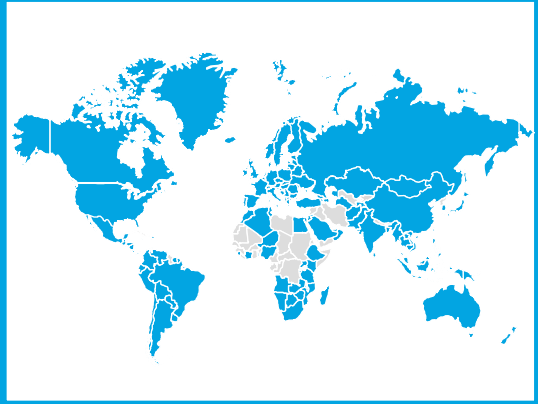


# INPATRIATES

## Guatemala

### Tax facts for International Assignees



#### INCOME TAX: WHO IS LIABLE/RESIDENCY

Employers are responsible for deducting (withholding) and paying income taxes for any employees residing in Guatemala.

Any employer who pays or credits payments of any kind for services performed as an employee, whether temporary or permanent, must withhold income tax from the employee in Guatemala.

Similar obligations must be accomplished by public employees and officials who are responsible for the payment of salaries and other compensations for services rendered to state agencies, decentralized autonomous entities, municipalities and businesses.

An individual is considered a resident for tax purposes when either of the following circumstances occurs:

- If the individual remains in national territory more than one hundred and eighty-three (183) days during the calendar year, even if it is not continuously.
- The individual's center of economic interest is in Guatemala. Unless the taxpayer proves his residence or fiscal domicile in another country, by means of the corresponding certificate issued by the tax authorities of said country.

According to the above, consider the following:

- If foreigners provide services in Guatemala as independent service providers, it is not necessary to obtain a work permit. They may be required to register an economic activity to request an authorization to issue invoices and make tax payments to the tax authorities.

If foreigners remain in Guatemala less than 183 days during the calendar year, they can provide services in Guatemala as independent services providers, it is not necessary to obtain a work permit or register with the Superintendence of Tax Administration -SAT- (tax authority); however, the person who pays the rent in Guatemala, must make income tax withholding for non-residents. The tax rate of income tax withholding of non-residents is from 5% to 25%, depending on the type of income.

#### REGISTRATION/FORMALITIES

Foreign employees in general must meet the following requirements:

- Legalize immigration status
- Apply for work permit
- Liquidate their income tax in Guatemala.
- Process tax identification number.

## INCOME TAX RATES

Tax rate	Fixed tax	Range of taxable income
5% on taxable Income	Q0.00	Q0.01 to Q300,000.00
7% on the excess of Q300,000.00	Q15,000.00	Q300,000.00 onwards

## Withholding of Income Tax from Non-Residents

Type of income	Tax rate
Dividends, distribution of profits, profits and other benefits, as well as any transfer or crediting in account to their parent companies abroad, without consideration from permanent establishments of non-resident entities. (payments to shareholders)	5%
<ul style="list-style-type: none"> <li>Salaries, allowances, commissions, bonuses and other remunerations that do not imply reimbursement of expenses.</li> <li>The payments or accreditation in bank account to athletes and artists of theater, television and other public or acting shows.</li> <li>The royalties, in the terms of article 4 of this book.</li> <li>The fees.</li> <li>Scientific, economic, technical or financial advice.</li> </ul>	15%
Other taxable income not specified in the above numerals.	25%

## SOCIAL TAX RATES

Social security	Social tax rate
Labor share	4.83%
Employer's contribution	12.67%

**For further information and to register for future updates contact [expat@bdo.global](mailto:expat@bdo.global)**

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