INCOME TAX BRACKETS FOR THE TAX SALARY AND FOR NATURAL AND LEGAL PERSON

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Dear Clients:

We are interested in making our best effort to keep our clients up to date with the changes and updates of the Costa Rican tax environment.

Therefore, we present you the income tax brackets applicable to legal entities and individuals for tax year 2018 (from 1 October 2017 to 30 September 2018).

2018 TAX YEAR
INDIVIDUAL INCOME – EMPLOYMENT INCOME (MONTHLY SALARY)
EXECUTIVE DECREE NO. 40654-H

Brackets valid since 01/10/2017	Tax Rate
Up to ¢799.000 of monthly income	Exempt
Above ¢799.000 and up to ¢1.199.000 of monthly income	10% of income tax
Above ¢1.199.000 of monthly income	15% of income tax

LISR, Article 34
Tax Credits

Section i) for each son:	¢1.500
Section ii) for the partner:	¢2.240

Note:
This bracket update is applied to wages, bonuses, salaries, rewards, bonuses, gratuities, commissions, overtime payments, royalties, subsistence allowances and participations, as well as pensions and pensions of any scheme.

2018 TAX YEAR
CORPORATE INCOME TAX
EXECUTIVE DECREE NO. 40656-H

LISR, Article 15
a) Small enterprises:
Those legal persons whose gross income in the tax period does not exceed ¢106.835.000

Section i) Up to ¢53.113.000	10% of income tax
Section ii) Up to ¢106.835.000	20% of income tax

LISR, Article 15
b) Individual Income – Self Employed Income

Brackets valid since 01/10/2017	Tax Rate
Up to ¢3.549.000 of monthly income	Exempt
Above ¢3.549.000 and up to ¢5.299.000 of monthly income	10% of income tax
Above ¢5.299.000 and up to ¢8.840.000 of monthly income	15% of income tax
Above ¢8.840.000 and up to ¢17.716.000 of monthly income	20% of income tax
Above ¢17.716.000 of monthly income	25% of income tax

Article 15, LISR
c) Tax Credits

Section i) for each son	¢18.000
Section ii) for the partner:	¢26.880

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