

TAX REFORM

**What PEC 45/2019
approved in and what
remains to be
discussed?**

BRIGANTI 

Brasil

Av. das Nações Unidas 12.901
10º Andar | Torre Norte
Brooklin Novo | Cep 04578-910
São Paulo – SP – Brasil
Tel. +55 11 97055- 3906

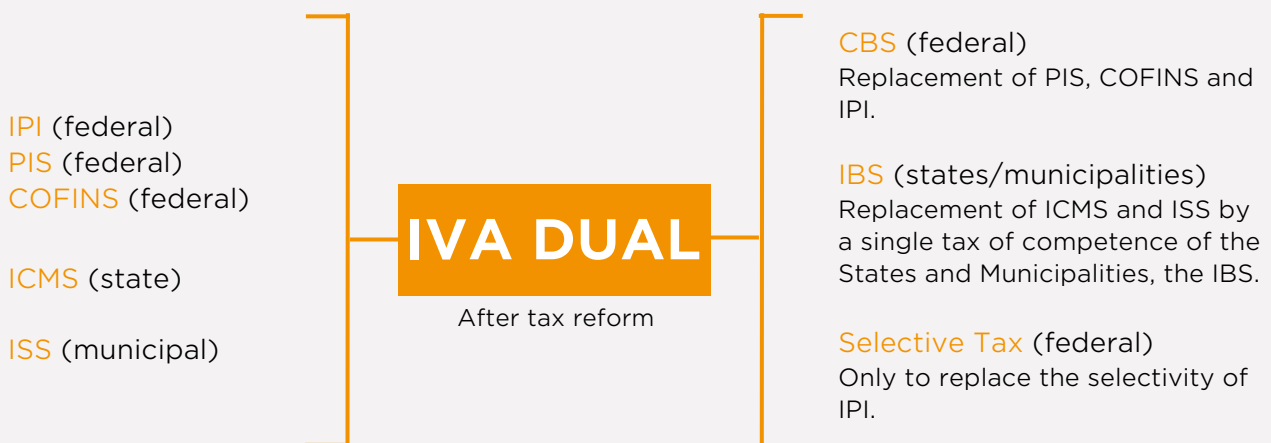
Espanha

Gran Vía 19-21
2do y 3er piso
CP 48001 | Bilbao – Espanha
E-mail: bilbao@briganti.com.br

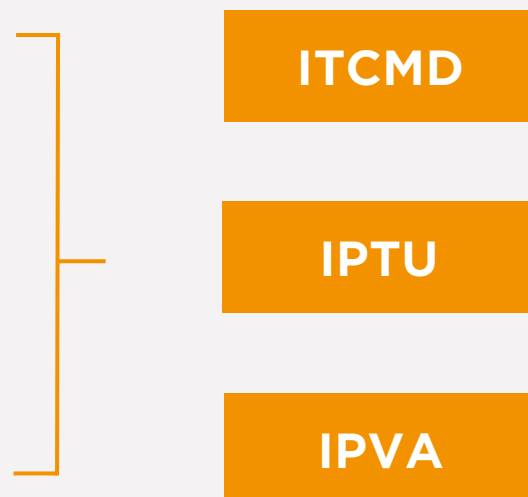
PEC 45/2019



Quais tributos podem ser afetados pelo texto aprovado pela Câmara dos Deputados no dia 7 de julho de 2023 na PEC 45/2019?



**Taxes that
will change**





How will it work?

- Uniformity of CBS and IBS: the same generating facts, calculation bases, hypotheses of non-incidence and immunities, taxable persons, specific regimes, and rules of non-cumulative and crediting;
- Creation of a federative council with the participation of States and Municipalities to manage the IBS;
- Provision of an average rate of 25% for CBS and IBS, to the Complementary Law defined later;
- Broad incidence (tangible or intangible goods and services);
- Transition forecast from 2026 to 2032 for Dual VAT, with extinction in 2033;
- Zero rate and exemption for some sectors and increased rate for others, as well as creation of a Selective Tax on the consumption of goods harmful to health and the environment;
- Full non-cumulative and taxation at destination (transition forecast in 50 years);
- Highlight on the outside: VAT will not be levied on its own basis of calculation;
- Possible IPI segregation into a Selective Tax instead of including it in CBS.



What stays the same?

- Maintenance of current ICMS benefits until December 2032, with proportional reduction from 2029;
- Maintenance of the National Simple and Manaus Free Trade Zone;
- Maintenance of customs regimes and Export Processing Zones (EPZ) via Complementary Law;
- Non-incidence on exports;
- Maintenance on the possibility of receiving credits accumulated for a period – Complementary Law will discipline the maximum term.



What is new?

- Forecast of creation of cashback (return of part of the taxes for low-income families);
- Provision for the creation of a Compensation Fund for Fiscal or Financial-fiscal Benefits and a National Fund for Regional Development;
- Creation of a contribution for primary and semi-manufactured products produced in the respective territories, for investment in infrastructure and housing works that may be in force until December 31, 2043 and which aims to replace state funds.



ITCMD

- Maintenance of state competence;
- It must become mandatorily progressive (progressive rate according to the value of the good transmitted, as currently applied in Rio de Janeiro);
- Due in the last place of residence at the time of death;
- It will focus on inheritances abroad.



IPVA

- Maintenance of state competence;
- It will focus on private vessels and aircraft;
- Rates to the Complementary Law defined.



IPTU

- Maintenance of municipal competence;
- Update of the calculation basis for the incidence of the tax may occur by Decree.



Some taxes that directly impact income and affect individuals and legal entities are not the object of PEC 45/2019, but there is a promise that they will change at a later time, through a legislative means still under development by the Federal Government. They are:

Taxation of dividends

The possibility of returning this tax was inserted in PL 2.337/2021, but this project is stalled, and there is no voting forecast for this year of 2023.

IRPJ and CSLL

Alteration/reduction of rates for concentration of taxation on the individual of the partners, such as the taxation of dividends.

Mandatory use of Real Profit for family holding

Proposal also discussed, but so far without any text approval by Congress.

Taxation of exclusive funds

Proposals are already being discussed to be considered next year, but at this point without any sign of what will actually be taxed or not.

Extinction of JCP

The bill has not passed, but it remains a possibility for future congressional considerations.

At this time, a new proposal for income tax reform is being prepared, which must be presented within 1 year.

