

MINIMUM AND DIGITAL TAXATION: Consensus or Divide?

Digital service taxes in developing countries

Marcia Grostein

Encargada del Departamento de Fiscalidad
Internacional de la Dirección General Impositiva

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Ministerio
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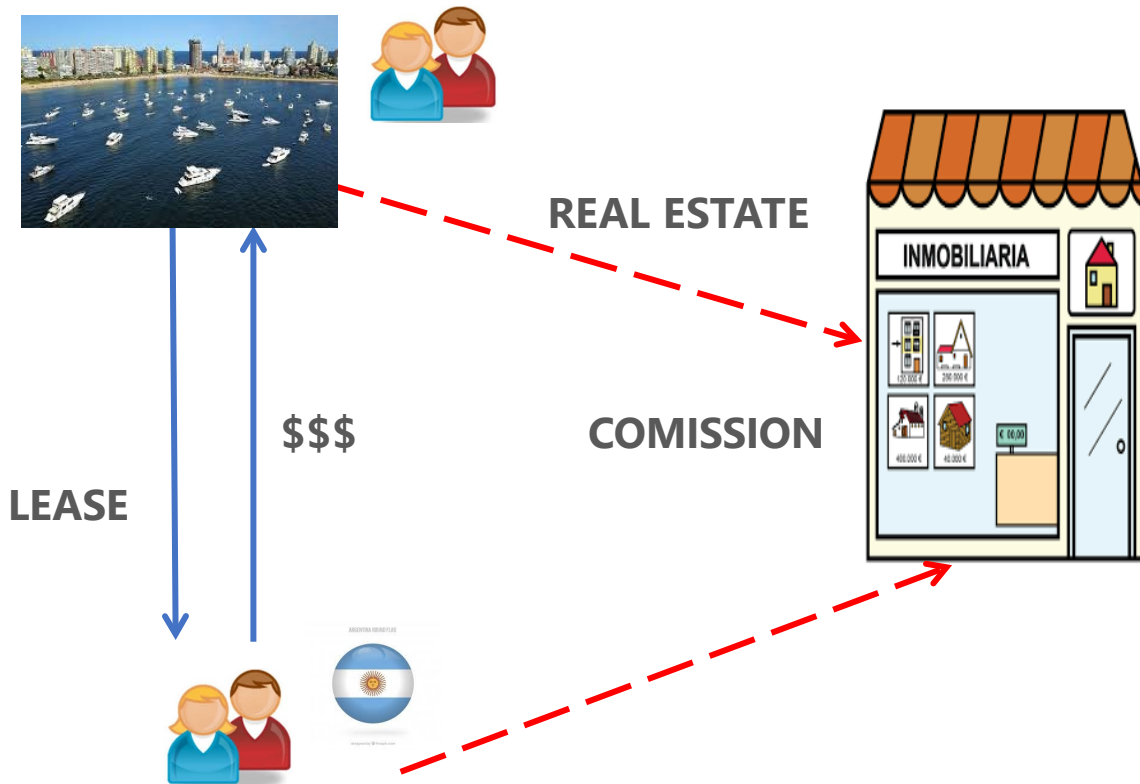
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Normas - Rules

Actividad - Activity	Criterio para gravar - Criteria to tax	Prueba -Proof	% gravado renta - % taxable income
<p>Non-resident entities providing services via the internet, technological platforms, IT applications, or similar.</p> <p>NETFLIX</p>	<p>The customer is located in the country.</p>	<p>Presumptive taxation on the service (admissible proof to the contrary) is performed electronically via payments administered from Uruguay.</p> <p>Presumptive taxation applies if the IP or billing address is not verifiable.</p>	<p>100%</p>
<p>Non-resident entities acting as brokers and intermediaries in the supply or demand of services provided via the internet, technological platforms, IT applications or similar.</p> <p>UBER</p>	<p>A) The service provider and the customer are located in Uruguay.</p> <p>B) The service provider OR the customer IS located abroad.</p> <p>Service Provider is in Uruguay if the service is provided within the country.</p> <p>Customer in Uruguay if: IP address or billing address is in Uruguay.</p>	<p>Presumptive taxation on the service (admissible proof to the contrary) is performed electronically via payments administered from Uruguay.</p> <p>Presumptive taxation applies if the IP or billing address is not verifiable (the proof).</p>	<p>A) 100%</p> <p>B) 50% If a permanent establishment does not exist.</p>

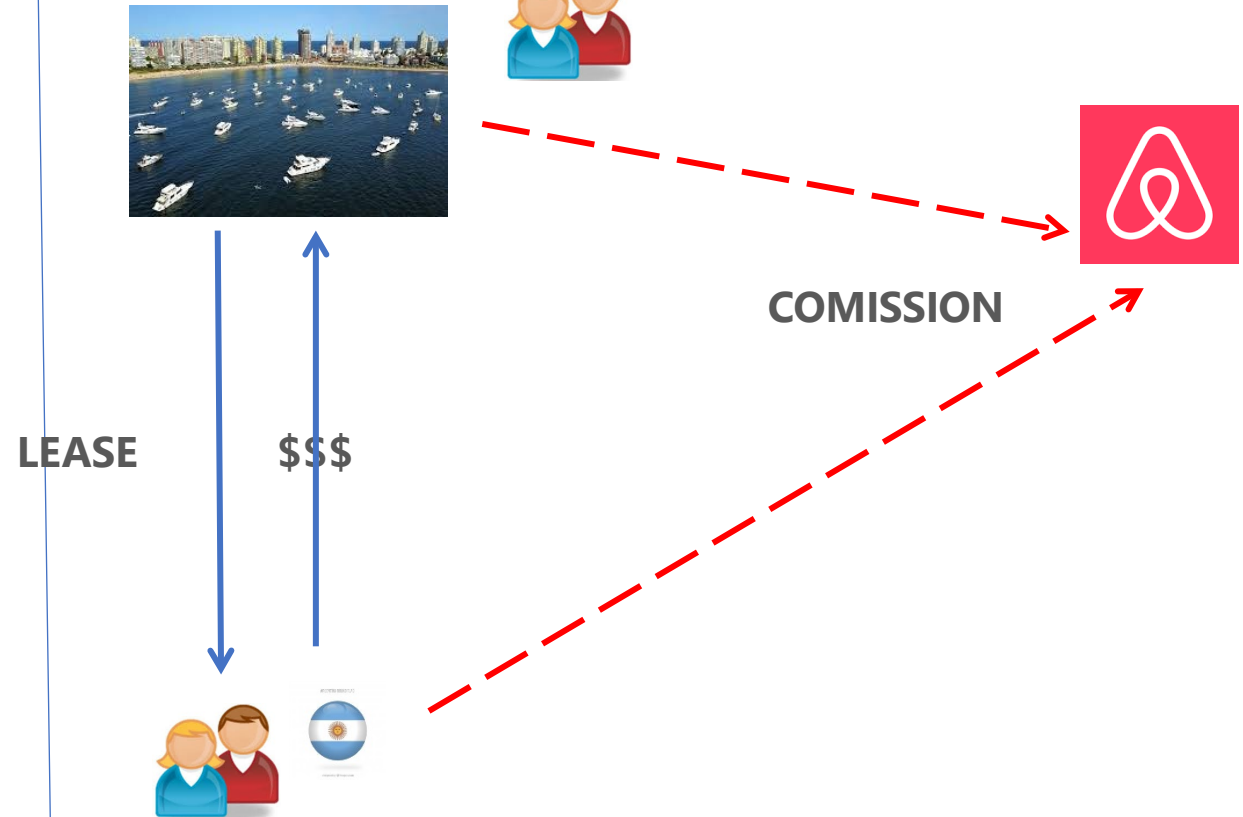
EJEMPLO – EXAMPLE

PUNTA DEL ESTE- URUGUAY



PUNTA DEL ESTE- URUGUAY

COUNTRY XX



Normativa interna – Monto A / Internal Rules - Amount A

In order for a market jurisdiction to acquire taxing rights on a portion of Amount A, the business income generated by the MNC in Uruguay must exceed a threshold. Uruguay may not acquire rights in the event that the income generated in the country by the MNC does not exceed the threshold. (Between one million and three million Euros per year).

In the case of Publicity and Advertising, if the advertisement is made for an Income **Taxpayer** and is displayed abroad, at present it is taxed; under the rules of Amount A, it could lose the right to taxation.

Uruguay could establish a new right of taxation for the intermediaries in the supply and demand of goods and for cloud storage services, among others.

However, by distributing the residual income for the market based on Uruguay's share of total sales, without factoring in the total active population of the country or the total population, the income to be received would be very low or nil.

In conclusion, Uruguay would increase the taxable events but with a lower tax base.

Muchas gracias! - Thank you very much!



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