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# Extraordinary Solidarity Contribution to Help Mitigate the Effects of the Pandemic L 27.605



Ministerio de Economía  
Argentina

Secretaría de  
Política Tributaria

# PROPERTY TAX IN ARGENTINA

## **Property Tax has a long history in Argentina (enacted in 1991):**

- It has 4 brackets and progressive MTRs ranging from 0.5% to 2.25%.
- Residence-based: paid by residents on assets located in Argentina and abroad and by non residents on assets located in Argentina.
- It is a highly progressive tax. However, part of the abroad total liable assets are undeclared, fiscal valuations are suboptimal and several exemptions erode the tax base. A general tax amnesty in 2016 reduced underdeclaration.
- For fiscal year 2018, over 105.000 people paid the WT (0,22% of total population).
- Revenues went from around 0.3% of GDP in 2004/2015 to 0.17% of GDP in 2016/2019. This is due to effective tax rates were reduced from 0.81% to 0.58%.
- In 2020, effective tax rates increased up to 1.18% and revenues grew to 0.76% of GDP

# Extraordinary Solidarity Contribution to help mitigate the effects of the pandemic

## General guidelines

- L 27.605 establishes an extraordinary one-time contribution that levies the assets of human persons and undivided successions greater than \$ 200 million by 12/18/2020 (USD 2,1 million).
- Human persons with residence in Argentina are charged for their assets in the country and abroad.
- Human persons resident abroad, for their assets in Argentina.
- Progressive rates are applied: higher rates apply to assets located abroad.

Assets located in Argentina: 2% / 3,5%. Assets located abroad: 3% / 5,25%.

- The law allows assets repatriation in order to contribute at lower rates

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## Estimated Revenues (\*)

**Potential contributors: 9,298**

**= 0.8% total property tax payers**

**= 0.02% total Argentine population**

**POTENCIAL COLLECTION \$ 307.897,8 MILLIONS (1% GDP)**

(\*) Informe a la Comisión de Presupuesto y Hacienda de la HCDN sobre el alcance del proyecto de ley de Aporte solidario y extraordinario para ayudar a mitigar los efectos de la pandemia Administración Federal de Ingresos Públicos Septiembre 2020

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## Revenues Allocation

### SPECIFICALLY USED IN SOCIAL INVESTMENT

- 20% to purchase and/or manufacture of **medical equipment, protection elements, medicines, vaccines**, etc.
- 20% to subsidies to **micro, small and medium enterprises (employment)**.
- 20% to Progresar scholarship program (Ministry of **Education**).
- 15% to the Fondo de Integración Socio Urbana (FISU): fund focused in improving **health and housing conditions in poor neighborhoods**.
- 25% to different programs and projects approved by the Secretariat of **Energy**