



Tax Highlights

**Latest Tax Updates in the
Region**

January, 2026

KPMG Costa Rica

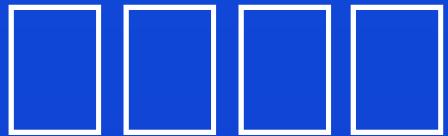


Tax

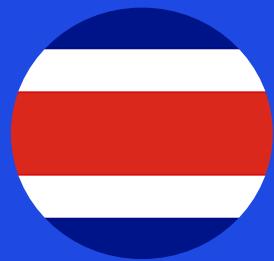
Key Updates

Scope

- 01 | Costa Rica
- 02 | Guatemala
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- 05 | Nicaragua



Costa Rica



Subjects

01

Case Law



Case Law

01.

Administrative Litigation Court - Resolution N° 10060-2025

Resolution N° 10060-2025

Background	<p>A proceeding for declaratory relief was initiated by a financial entity against the State, challenging several administrative and tax resolutions related to the determination of Income Tax for various fiscal periods. The dispute originated from a tax audit conducted by the Tax Administration, which rejected expenses related to foreign or domestic investments and questioned the exchange differential treatment granted for investments, especially those made abroad.</p> <p>The entity argued that it applied a methodology previously considered reasonable by the General Directorate of Taxation, which had been used consistently without objections, adjustments, or administrative charges. The case reached the judicial stage and, after an initial ruling, was sent back by the Tribunal to the First Chamber for a new review.</p>
Arguments	<p>In its arguments, the financial entity alleged that it acted in accordance with the administrative criteria in force at the time it filed its tax returns, invoking the principles of legitimate trust, legal certainty, and reasonableness. It asserted that based on prior administrative criteria, its methodology should be applied retroactively, as it had been accepted by the Administration itself. Additionally, it asserted that the exchange differential derived from investments abroad constituted a deductible expense for Income Tax purposes, as it was not subject to tax in Costa Rica.</p> <p>The State, for its part, argued that the methodology used by the financial entity had never been formally approved with binding effects, and that the exchange differential should be treated as taxable when the capital is held in Costa Rica, regardless of where the investments are made.</p>
Decision of the Court	<p>The Administrative Litigation Court rejected the financial entity's claims and upheld the administrative acts challenged. It concluded that the administrative criterion invoked did not create an acquired or legitimate right that would restrict the State's tax auditing powers.</p> <p>Additionally, it held that the principles of legitimate trust and legal certainty had not been violated, as the matter involved tax law. Regarding the exchange differential, the Court accepted the State's position that such income is taxable when the capital generating it is linked to an economic activity conducted in Costa Rica, even if the investments were made abroad. Consequently, it upheld the adjustments made by the Tax Administration.</p>

For more information:

[TCA Resolución N° 10060-2025](#)



02.

First Chamber of the Supreme Court of Justice - Resolution N° 274-2024

Resolution N° 274-2024

Background	<p>The State initiated a declaratory relief action against a public institution, requesting payment of late interest derived from the withholding of income tax on income generated by investments made by the Pension and Retirement Fund of the Judicial Branch in securities issued by said entity.</p> <p>The Administrative Litigation Tribunal ruled in favor of the State, determining that the withholding was improper because a specific legal exemption existed. Against this decision, the institution filed an appeal for cassation before the First Chamber.</p>
Arguments	<p>The institution argued that it had not incurred an improper withholding, as it was unaware of the identity of the final investor due to the fact that the transactions were carried out through a financial custodian. It claimed that this lack of information prevented it from applying the specific exemption procedure and that any error in the refund of the withheld tax was attributable to the Judicial Branch Pension Fund for failing to follow the appropriate procedure.</p> <p>The State, for its part, argued that the institution had been duly informed of the applicable legal exemption, and therefore, as the withholding agent, it was responsible for the improperly withheld amounts and the corresponding late interest generated from the refund process.</p>
Decision of the Court	<p>The First Chamber dismissed the cassation appeal and upheld the lower court's ruling. It established that, pursuant to Article 24 of the Code of Tax Rules and Procedures, the withholding agent is responsible before the tax authority for any withholdings made on income that is legally exempt, as well as for the corresponding interest.</p> <p>It further stated that the existence of generic procedures or the identity of the beneficiary does not exempt the withholding agent from responsibility when the withholding is made on income subject to an explicit legal exemption.</p> <p>Additionally, the Court noted that the institution failed to undermine the legal reasoning of the challenged ruling and that its appeal showed technical deficiencies. Consequently, it upheld the order for payment of late interest and legal costs.</p>

For more information:

[Resolución N° 274-2024](#)



03.

First Chamber of the Supreme Court of Justice - Resolution N° 1335-2024

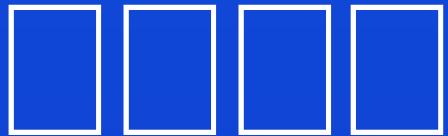
Resolution N° 1335-2024

Background	<p>A company filed a declaratory action against the State, challenging administrative acts and resolutions issued by the Tax Administrative Tribunal related to the Income Tax for fiscal year 2010.</p> <p>The Tax Administration had levied an exchange differential resulting from the valuation of foreign currency liabilities and rejected the deduction of financial and administrative expenses associated with an unfinished real estate project.</p> <p>The Administrative Litigation Tribunal partially upheld the claim, annulling the adjustment related to the exchange differential and the valuations, but maintaining the rejection of the deductible expenses. Against this decision, the taxpayer filed a cassation appeal.</p>
	<p>The company argued that the Tribunal had improperly assessed the evidence and failed to adequately analyze the accounting expert report, which showed that the project expenses had been correctly capitalized and could subsequently be deducted in accordance with International Accounting Standards and administrative regulations.</p> <p>It further claimed that these expenses were necessary for the development and generation of potential income, and therefore met the requirements for deductibility.</p> <p>The State, for its part, argued that the expenses corresponded to prior fiscal periods and that accounting standards could not override the explicit provisions of the Income Tax Law.</p>
	<p>The First Chamber dismissed the cassation appeal and confirmed the rejection of the deductible expenses. It concluded that the expert accounting report did not have priority over the Tribunal's judgment regarding the applicable legal framework and that the Chamber did not share the expert's interpretation. It reaffirmed that the deductibility of expenses requires a direct and immediate relationship with income generation in the same fiscal period, as established in Articles 8, 9, and 12 of the Income Tax Law.</p> <p>Additionally, it noted that accounting standards serve to organize financial information but cannot modify or expand the assumptions for deductibility established by tax regulations. In this case, the expenses related to unfinished real estate projects should be treated as capitalizable costs or capital losses, not as deductible expenses for fiscal year 2010.</p>

For more information:

[Resolución N° 1335-2024](#)





Guatemala



Subjects

01

Detailed Report on SAT Management

01.

Detailed Report on SAT Management

Recently, the Superintendence of Tax Administration (SAT) presented the management report as of December 2025. This report summarizes the main achievements in revenue collection as well as the actions related to institutional management.

The report details, among other aspects, the following:

- Revenue collection results
- Tax compliance and tax evasion indicators
- Technical and economic analysis of revenue collection results
- Actions to reduce tax evasion and tax/customs fraud
- Management before the courts of justice

This is a reference document on management that provides important information on indicators and results by type of tax.

For more information:

[Informe Circunstanciado a diciembre 2025 - PortalSAT](#)





Dominican Republic



Subjects

01

The General Agency for Internal Taxes (DGII) informs about the multipliers and adjustments for the fiscal year ended December 31, 2025.

02

The General Agency for Internal Taxes (DGII) informs about the update of the contribution established under Law No. 98-25 on solid waste.

03

The General Agency for Internal Taxes (DGII) informs about the extension of the provisions related to exemptions from the payment of Income Tax and Assets Tax for the agricultural sector for the 2026 fiscal year.

04

The General Agency for Internal Taxes (DGII) informs of the non-application of Articles 14 and 15 of General Rule No. 04-22 for the 2025 fiscal year.

01.

The General Agency for Internal Taxes (DGII) informs about the multipliers and adjustments for the fiscal year ended December 31, 2025.

On January 15, the General Agency for Internal Taxes (DGII) issued Resolution DDG-AR1-2026-00001, informing taxpayers of the adjustments to the inflation adjustment multipliers and exchange rates for the treatment of foreign exchange differences for the fiscal year ended December 31, 2025.

With respect to the inflation adjustment multiplier, it was set at 1.0495, while the exchange rates applicable to the treatment of foreign exchange differences were set at DOP/USD 62.8978 and DOP/EUR 73.9489.

Additionally, some relevant updated for the year 2026 are as follows:

- For residential properties and undeveloped urban lots owned by individuals, the exempt amount is set at DOP 10,695,494.00;
- For the classification of Low-Cost Housing and the exemption from the transfer tax for first-time homebuyers acquiring properties through Low-Cost Housing Trusts, the exempt amount is set at DOP 5,450,851.12;
- For taxpayers subject to transfer pricing regulations, the threshold applicable to transactions with related parties is set at DOP 16,025,436.00;
- Entities and sole proprietorships whose annual income reaches DOP 21,108,265 are required to file their annual tax return in accordance with their audited financial statements; and,
- Armenia, Côte d'Ivoire, the Faroe Islands, San Marino, Trinidad and Tobago, and Tunisia are included in the list of countries not considered by the Dominican Republic as jurisdictions with preferential tax regimes, low or zero taxation, or tax havens.

This Resolution also includes fiscal adjustments to the Simplified Tax Regime for the 2026 fiscal year, updates to the inflation adjustment multipliers for capital assets, adjusted amounts for values established in the Dominican Tax Code, among other provisions.

For more information:

[Resolución DDG-AR1-2026-00001](#)



02.

The General Agency for Internal Taxes (DGII) informs about the update of the contribution established under Law No. 98-25 on solid waste.

Through the issuance of Notice 02-26, published on January 22, the General Agency for Internal Taxes (DGII) informed taxpayers of the update to the amounts of the special contribution for the comprehensive management of solid waste, as established by Law No. 98-25.

The amounts are set according to the following ranges, in Dominican pesos (DOP):

Income range	Contribution
Income from DOP 1,000,000.00	DOP 3,000.00
Income over DOP 1,000,001.00 up to RD\$10,000,000.00	DOP 6,000.00
Income over DOP 10,000,001.00 up to RD\$25,000,000.00	DOP 20,000.00
Income over DOP 25,000,001.00 up to RD\$50,000,000.00	DOP 155,000.00
Income over DOP 50,000,001.00 up to RD\$100,000,000.00	DOP 260,000.00
Income of DOP 100,000,001.00 and above	DOP 675,000.00

For more information:

[Aviso 02-26](#)



03.

The General Agency for Internal Taxes (DGII) informs about the extension of the provisions related to exemptions from the payment of Corporate Income Tax (CIT) and Assets Tax for the agricultural sector for the 2026 fiscal year.

On January 28, the General Agency for Internal Taxes (DGII) informed taxpayers, through General Rule 01-26, of the extension of the provisions contained in General Rule 01-2008, relating to exemptions from the payment of Corporate Income Tax (CIT), advanced CIT payments, Assets Tax, and Income Tax withholding for companies belonging to the agricultural sector, for the year 2026.

Additionally, the Rule emphasizes that its provisions are not retroactive with respect to any advanced CIT or Asset Tax that may be overdue and unpaid as of the date of its publication.

For more information:

[Norma General 01-26](#)



04.

The General Agency for Internal Taxes (DGII) informs of the non-application of Articles 14 and 15 of General Rule No. 04-22 for the 2025 fiscal year.

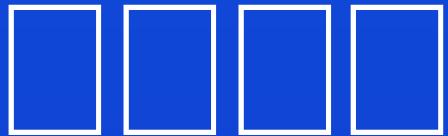
On January 29, the General Agency for Internal Taxes (DGII) issued Notice No. 03-26, informing taxpayers covered under the Simplified Tax Regime ("RST") that, for the 2025 fiscal year, to be filed no later than February 26, 2026, the provisions contained in Articles 14 and 15 of General Rule No. 04-22, regarding Incorporation, Permanence, Exclusion, and the Tax Return under the RST, shall not apply.

The aforementioned provisions refer to the tax treatment of the income tax exemption for employees covered under the RST and the positive adjustment of Income Tax not withheld by employers.

For more information:

[Aviso 03-26](#)





Honduras



Subjects

01

Honduras – Regulatory and Labor Landscape
as of February 2026

01.

Honduras – Regulatory and Labor Landscape as of February 2026

Honduras – Regulatory and Labor Update 2026

1) Publication of the 2026 Average Minimum Wage

As of February 5, 2026, the official publication of the 2026 Average Minimum Wage is still pending. This reference must be issued by the Tax Administration Service (SAR) based on the minimum wage adjustments communicated by the Ministry of Labor and Social Security (STSS).

The latest update in force corresponds to the year 2025:

The SAR published the 2025 Average Minimum Wage at **L 13,985.16**, in accordance with Executive Agreement **SETRASS-109-2024**.

This indicator continues to be used for:

- Determining income tax thresholds for individuals.
- Applying penalties for formal noncompliance pursuant to Article 160 of the Tax Code.

2) Regulation on IHSS and RAP Contributions – Decree 48-2024

In May 2024, Decree 48-2024 was approved, establishing new permanent rules for contributions to the Honduran Social Security Institute (IHSS) following the repeal of the Social Protection Framework Law. The Decree set the following contribution rates:

Contribution rates to the IVM (Pensions) Regime:

- **3.5%** employer
- **2.5%** employee
- **0.5%** government

Current contribution ceilings (established for 2024–2025):

IVM:

- **2024:** L 11,336.32
- **2025:** L 11,903.13

The portion of an employee's salary exceeding the ceiling described above constitutes the base for mandatory contributions to the Private Contributions Regime (RAP) under the Housing Fund concept, both for the employer and the employee. A **1.5% rate** applies to each on that excess.

Health and Maternity (EM):

- **2024:** L 11,109.30
- **2025:** L 11,903.13

Beginning in 2026, the new ceilings must be defined by the IHSS Board of Directors based on actuarial studies.

01.

Honduras – Regulatory and Labor Landscape as of February 2026

Honduras – Regulatory and Labor Update 2026

Individual Capitalization Labor Reserve

In accordance with Article 4 of Decree 47-2024, employers must make contributions to create the Individual Capitalization Labor Reserve Fund, established within the RAP. These mandatory contributions are equivalent to **four percent (4%)** of the employee's ordinary monthly salary, subject to a contribution ceiling equal to **three (3) minimum salaries**, based on the wage category applicable to each company pursuant to the minimum-wage publication issued by the Ministry of Labor and Social Security.

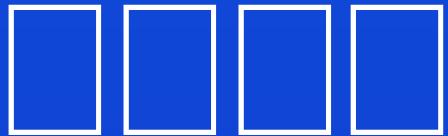
3) Current Situation in 2026 Due to the Lack of New Publications

As of February 5, 2026, the following have not been published:

- The Minimum Wage issued by the Ministry of Labor and Social Security (STSS).
- The 2026 Average Minimum Wage.
- The 2026 IHSS Contribution Ceilings.

Market Practice Observed

- Taxpayers continue using the **2025 Average Minimum Wage** for tax-related purposes.
- IHSS and RAP payrolls maintain the **2025 contribution ceilings**, in accordance with Decree 48-2024.



Nicaragua



Subjects

01

Update of the Fiscal Stamp Tax (ITF)

01.

Update of the Fiscal Stamp Tax (ITF)

On December 11, 2025, the Ministry of Finance and Public Credit of Nicaragua published on its website Ministerial Agreement No. 008-2025. In accordance with the provisions of the penultimate paragraph of Article 240 of the Tax Coordination Law (LCT), this agreement updates the rates of the Fiscal Stamp Tax (ITF), which will come into effect as of January 1, 2026.

For more information:

[Actualización](#)



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