



Municipal Tax Amnesty

Tax Newsletter

KPMG Panama
September 11, 2024

Municipal Tax Amnesty

Exemption on fines, penalties, and interest for taxpayers who settle the total amount due to the Municipality of Panama

Taxpayers (both individuals and legal entities) who pays the full amount of the principal due to the Municipality of Panama and the fifty percent (50%) of the fine for the non-submission of the annual revenue return, between September 16 and October 16, 2024, will be granted a one hundred percent (100%) exemption from fines, interest, and penalties owed to date. This initiative aims to encourage taxpayers to make their tax payments and support the financial situation of Municipal Finances.

This exemption only excludes taxpayers who failed to notify the Municipal Treasury the establishment of their businesses, companies, or taxable activities within the Panama district for proper registration and classification in the Taxpayers Register (as stipulated in Article No. 5 of Agreement No. 40 of April 19, 2011), which means that the exemption is also applicable to taxpayers under payment arrangements and in coercive jurisdiction.

To apply for the exemption, taxpayers must file their annual income tax return (as many as the taxpayer is required to file) for the current year to the Municipality of Panama and complete the tax payments between September 16, 2024, and October 16, 2024.

Legal Framework

This exemption was established by means of Agreement No. 200 of August 20, 2024, "Through which exemptions for surcharges, interest, and fines are established for both; individuals and legal entities in the Municipality of Panama, who pays in full the principal amount due."

We remain at your disposal for any questions regarding this announcement.

If you have any inquiries about this matter or related topics, please feel free to contact our specialists.

Contact us

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