

GMS Flash Alert

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Chile - Elimination of Option to Paper File Monthly Income Tax Returns

As stated in GMS [Flash Alert 2020-057](#), the Chilean tax authority (*Servicio de Impuestos Internos* or "SII") has eliminated the option to file paper monthly income tax returns (Form 50) with banks.¹ This change in policy, therefore, restricts the filing method to one now involving electronic filing through the taxpayer's personal SII web portal.

The change took effect beginning with the February 2020 monthly income tax return which was due March 12 or 15 depending on an individual's tax residency status. It is important to mention that although this change went into effect with the February 2020 monthly income tax return, in practice the SII is still allowing the filing of paper monthly income tax returns until the existing inventory of blank paper Forms 50 runs out (which should be shortly).

WHY THIS MATTERS

Previously, individuals (i.e., business travelers) who did not qualify, nor had a Chilean tax identification number, or RUT (*Rol Único Tributario*), could meet their Chilean income tax obligations related to services rendered in Chile by filing a paper monthly income tax return with a generic Chilean RUT (5.555.555-5) number as allowed by the SII. With the elimination of the paper filing option, individuals must now file electronically, which can only be done with a valid RUT number. This will therefore require a change in pattern and process for such taxpayers and their service providers.

Monthly Income Tax Return Process

The filing of a monthly income tax return (Form 50) is a mechanism for individuals to self-report and pay taxes on Chilean employment income which is not paid through Chilean payroll. As noted, with the elimination of the paper filing option, individuals will now have to obtain a RUT number in order to electronically file their monthly income tax returns.

In the event an individual has not received and does not qualify for a permanent RUT number as a result of his/her immigration status (i.e., business travelers), a provisory RUT number will need to be applied for with the SII in order to access the SII web portal.

A provisory RUT number is a personal tax identification number issued by the SII with the purpose of allowing foreign nationals with “non-residence” status to invest/do business in Chile and meet their tax obligations. This provisory RUT number serves as a personal SII tax identification number for nonresidents, thus allowing an individual to electronically file his or her monthly income tax return.²

KPMG NOTE

Application Process to Obtain a Provisory RUT Number

In order to apply for a provisory RUT number, Form 4415³ must be duly completed and filed in person (or by a designated representative with a power of attorney) at an SII office. Within this form, an agent with a “Special Power of Attorney” to represent the requestor before the SII must be designated. Such agent must be an individual with residence or domicile in Chile. As a result of this representation, the agent acquires faculties to be legally notified for all tax notices (decrees and resolutions) that may derive from the use of the holder’s provisory RUT number.

Chilean SII Web Portal Password

In conjunction with the application of the provisory RUT at any SII office, an individual (or a designated representative with a power of attorney) would also need to request an initial SII web portal password to access the system. This initial password can be changed once the system is accessed for the first time.

FOOTNOTES:

1 Exempt Resolution N° 19 (*Resolución Exenta SII N° 19 del 06 de Febrero del 2020*) from the SII published on February 6, 2020.

2 Circular N° 31 (*Circular N°31 (19/05/2014)*) from the SII published on May 19, 2014.

3 *Inscripción al Rol Único Tributario y/o Declaración Jurada de Inicio de Actividades.*

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Contact us

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