



GMS Flash Alert



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Argentina - Wealth Tax Changes to Non-Taxable Minimum, Tax Rates

On 31 December 2021, Argentina's tax authorities published General Resolution 912/2021, which introduces new modifications to the country's Wealth Tax (Law 27.667).¹ (For related coverage, see [GMS Flash Alert 2021-027](#), 15 January 2021.)

According to the new rules, a new non-taxable minimum is implemented in relation to Wealth Tax liabilities for fiscal years 2021 and after. Additionally, a new maximum rate applicable to assets held in Argentina by tax-resident individuals is incorporated.

WHY THIS MATTERS

Changes introduced by the General Resolution affect many taxpayers who are subject to the Wealth Tax for FY 2021. This development may be good news for those who maintain total assets whose value is near the non-taxable minimum. However, the changes may have a negative impact from a tax perspective for those who maintain high-value assets in Argentina.

More Details

Wealth Tax: New Non-Taxable Minimum and New Maximum Rate for Assets in Argentina

The Senate approved the amendments to the Wealth Tax, by which the non-taxable minimum is increased to ARS 6,000,000. In the case of residential real estate (the owner must live there on a day-to-day basis), such assets will be exempted from taxation if their value is equal to or less than ARS 30,000,000.

[ARS 1 = EUR 0.0084 | ARS 1 = USD 0.00965 | ARS 1 = GBP 0.0070 | ARS 1 = BRL 0.0535 (Source: www.xe.com)]

Likewise, the Wealth Tax scales are modified by raising the rate to 1.50 percent for assets exceeding ARS 100 million and to 1.75 percent for assets over ARS 300 million.² Effective for FY 2021 and after, the rate table will be as follows:

| Total value of assets located in Argentina that exceed the non-taxable minimum | | | | |
|--|------------------------|--------------|--------|------------------------------------|
| Above the amount of ARS | To ARS | Will pay ARS | Plus % | Upon the amount that exceeds the % |
| 0 | 3,000,000, inclusive | 0 | 0.50% | 0 |
| 3,000,000 | 6,500,000, inclusive | 15,000 | 0.75% | 3,000,000 |
| 6,500,000 | 18,000,000, inclusive | 41,250 | 1.00% | 6,500,000 |
| 18,000,000 | 100,000,000, inclusive | 156,250 | 1.25% | 18,000,000 |
| 100,000,000 | 300,000,000, inclusive | 1,181,250 | 1.50% | 100,000,000 |
| 300,000,000 | Onwards | 4,181,250 | 1.75% | 300,000,000 |

Source: KPMG in Argentina

Regarding assets located abroad, the following rate table is applicable beginning in FY 2021 (note that the rate of tax is determined with reference to the value of worldwide assets, but is applied only to the value of assets located outside Argentina):

| Total value of worldwide assets (Argentina+abroad) | | Will pay % |
|--|------------|------------|
| Above the amount of ARS | To ARS | |
| 0 | 3,000,000 | 0.70% |
| 3,000,000 | 6,500,000 | 1.20% |
| 6,500,000 | 18,000,000 | 1.80% |
| 18,000,000 | Onwards | 2.25% |

Source: KPMG in Argentina

KPMG NOTE

- Wealth tax issues that would have been discussed during tax briefings held in 2021, have changed with Law 27.667 and with this General Resolution. Tax providers and global-mobility program managers may wish to update assignees on the change in Argentina's rules.
- We encourage companies to review their tax equalization policies to determine whether revisions would be appropriate in light of the new rules.

FOOTNOTES:

1 See “Resolución General “912/2021” published in the *Boletín Oficial* at: <https://www.boletinoficial.gob.ar/detalleAviso/primera/255532/20211231> .

2 For more on Argentina's tax system as it impacts international executives, including the Wealth Tax, see [Taxation of International Executives: Argentina](#), a publication of KPMG International.

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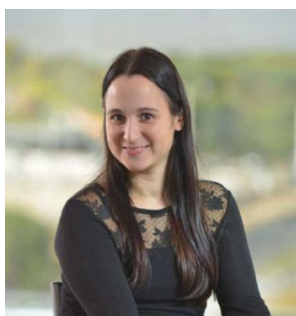
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