

GMS Flash Alert

2024-199 | October 14, 2024

Chile – New Sworn Statement N° 1835 for Reporting Rental Income

The Chilean tax authority (*Servicio de Impuestos Internos*, hereinafter “Chilean IRS”) published Resolution Ex. N° 86, establishing a new and additional tax obligation to report rental income through Sworn Statement N° 1835 (*Formulario 1835*, hereinafter “Form N° 1835”).¹

The Resolution establishes the scope, instructions, and format of this new filing obligation. Taxpayers must report to the Chilean IRS the annual rental income earned by means of filing Form N°1835. This filing obligation will start in tax year 2025 (which refers to the income earned in calendar year 2024).

WHY THIS MATTERS

From a taxpayer’s perspective, the new Form N° 1835 is an additional filing obligation to the Chilean annual tax return, serving an informative purpose for the Chilean IRS.

It will create an additional compliance step for individual taxpayers with such income or for their service providers.

It may be appropriate for employers with assignees affected by this change to develop and issue a communication explaining what is expected/required.

More Details

Resolution Ex. N° 86 establishes the obligation to report all properties (including those receiving DFL-2 benefits) earning taxpayers rental income regardless of their tax valuation amount and acquisition date if the lease contract is for one or more months within the same calendar year. If it is referred to as a “leasing contract,” such contracts are excluded from the reporting requirement on Form N° 1835.

Form N° 1835 must be sent to the Chilean IRS, through the Chilean IRS website, by March 25 of each year regarding agricultural and/or non-agricultural real estate rented during the previous year.

Who Will Be Required to File Form N° 1835?

- i. Property brokers, intermediaries, and agents (*mandatarios*) of lessors or lessees, who have been involved in the conclusion or administration of a lease contract; and,
- ii. The lessees who, without the involvement of property brokers, intermediaries, or agents, comply with any of the parameters indicated by the Chilean IRS, including Corporate Income Tax taxpayers, professional partnerships, and those entities, whatever their condition, that lease property for the development of one or more activities included in Article 20 of the Chilean Income Tax Law (*Ley sobre Impuesto a la Renta*).

Penalties for Non-Compliance

Finally, the delay or omission in the filing or its incomplete presentation, will be sanctioned with a penalty of 1 Monthly Tax Unit (UTM) to 1 Annual Tax Unit (UTA).²

KPMG INSIGHTS

Taxpayers with questions concerning the scope of these rules, whether they will be impacted, and what next steps are advisable in order to be in compliance, should consult with their usual tax service professional or a member of the tax/GMS team with KPMG in Chile.

FOOTNOTES:

1 *Resolución Exenta SII N° 86 del 30 de Agosto del 2024. Instruye sobre obligación de presentar declaración anual sobre bienes raíces arrendados por medio de formulario N° 1835; deja sin efecto Resolución Ex. SII N°98 de 31 de agosto de 2023. See (in Spanish):*

https://www.sii.cl/normativa_legislacion/resoluciones/2024/reso86.pdf

At the aforementioned link, there are also links to Formulario 1835 and instructions.

2 These values are posted at the following link [Sii | Servicio de Impuestos Internos](#).

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Contact us

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The information contained in this newsletter was submitted by the KPMG International member firm in Chile.

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