



BDO
informs

**ECONOMIC PACKAGE
FOR 2008**

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BDO Hernández Marrón y Cía., S.C.
Contadores Públicos y
Consultores de Empresas.



Last September 8, 2007, the Executive branch submitted to Mexican house of deputies the economic package for 2008, which does not contemplate the effects of the tax reform that it is being discussed by the Congress.

At the end of the Exhibition of Reasons of the proposal of the Law of Revenue of the Federation for 2008, it is indicated: Finally, it is pertinent to mention that the present initiative is proposed considering the tax dispositions in force at the date of its presentation, therefore, if it is approved the tax reform for those who have less proposed to such Congress, it will be necessary to carry out the pertinent adjustments.

From such Exhibition of Reasons, we transcribe the most remarkable:

Rate of surcharges

It is propose to continue with the rate of surcharges applicable to those cases of tax debts payment deferral. In such sense, the rate will be of 1% monthly on partial payments up to 12 months; of 1.25% monthly on partial payments exceeding 12 and up to 24months, and of 1.50% monthly on partial payments exceeding 24 months.

Waiving tax debts

Additionally, it is propose to keep the disposition that empowers the tax authorities for the cancellation of the tax debts which are expensive to recover, which is propose to be declared according to the evaluation carried out by the tax authority over the amount of the credit, the cost of the recovery actions, the seniority and the probability of collection of such credit.

Tax Incentives



In the same way as previous years, it is considered advisable to include in the Law of Revenues of the Federation diverse tax incentives, within which is pertinent to emphasize the following ones:

- *It is propose to allow the taxpayers of the agricultural and forest sectors, to credit the investments made in fixed assets goods against an amount equivalent to the tax on assets determined in the fiscal year.*
- *With the intention of continuing supporting the taxpayers who make investments in investigation and technological development in benefit of our country, it is propose to establish in 4,500 million Pesos the tax incentives for the expenses and investments that are made for those activities; including the medium company, as well as to destine a specific amount for the projects related to academic institutions and research centers that incorporate postgraduated students.*
- *With regard to the Special Tax on Production and Services, it is propose to grant again the tax incentive for the diverse sectors of taxpayers who acquire diesel for their final consumption, between which are emphasize the agriculture, ranching, fishing and mining sectors, as well as for automotive use in vehicles that are destined exclusively to the public and private transportation of passengers or load, consisting in allowing the crediting of the tax caused for the alienation of the diesel.*
- *Also, it is propose the continuity of the tax incentive to the taxpayers who dedicate themselves exclusively to the ground transportation of load or passengers using the National Network of Toll Roads, same that allows the crediting of the expenses made in the payment of the services for the use of the infrastructure of toll roads up to 50 percent of the expended amount for such concept.*



• *In order to support the activities carried out by the merchant navy, it is propose to continue with the granting of the tax incentive to the taxpayer using special marine diesel for their final consumption, consisting in allowing to credit an amount equivalent to the one of the special tax on production and services that Petroleos Mexicanos (PEMEX) and its subsidiaries have caused on the alienation of the referred fuel, against the payment of the income tax, the value added tax or the tax on assets.*

Exemptions

On the other hand, it is propose to continue with the following exemptions;

• *The exemption of the tax on assets caused on the property of accounts receivables derived from contracts that the taxpayers carry out with independent public entities, with regard to productive infrastructure investments destined to high-priority activities.*

• *The exemption of the tax on new automobiles for those physical or moral persons alienating to the public in general or importing definitively, in terms of the customs legislation, new electrical and hybrid automobiles. This last, with the purpose of continuing the efforts to reduce the pollution that is generated by the gas discharges produced by the vehicles of internal combustion, at the same time to support the conservation and rationalization of energetic in our country..*

• *The exemption of the payment of the Mexican customs processing fee to the people importing natural gas, since this fuel generates great economic benefits to its users, it is easy to transport and it generates less pollution.*

Withholding for interests

With the purpose that money savers do not generate high payable balances when they compute their annual tax return on their income for interests, it is



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propose to modify the annual withholding rate from 0.5% to 0.85% applicable to the interests paid by the institutions of the financial system.

Forgiveness of tax debts

It is not include any disposition that empower the tax authorities to forgive tax debts such as it was done in the Law of Revenues for 2007, which implicates that such powers expires on December 31, 2007

Tax Incentives

It is eliminate the tax incentive for taxpayers with external auditor certification for tax purposes, which has been incorporated to an initiative of reforms to the Federal Tax Code.

Reforms to Tax Laws

Only a single initiative of reform to the Federal Law of Rights is submitted, since the other reforms are now being discussed as it has been mentioned above.

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