

# Government Sets New Withholding Tax Rates for Income from Hydrocarbons, Mining Products Exports

14 March 2023

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The government has introduced new income tax withholding and self-withholding rates applicable to hydrocarbon and mining income as from 1 March 2023. The new rates are in line with the last tax reform (Law 2277 of 2022) which introduced an income tax surtax for these industries.

The following are some of the most relevant income tax withholding and self-withholding rates introduced by Decree 261 of 2023:

- withholding and self-withholding tax rates applicable to payments made in respect of:
  - exports of hydrocarbons: 5.4%;
  - coal exports: 5.4%; and
  - export of other mining products (including gold): 1%;
- self-withholding rates have been increased. Self-withholding rates apply depending on the relevant economic activity (CIIU code) and vary from 0.55% to 4.5% (previously, from 0.40% to 1.60%); and
- self-withholding rates have been increased from 0.44% to 0.55% for:
  - state gambling monopoly operators;
  - companies incorporated in Colombia having as economic activity the publishing of scientific and cultural books and magazines; and
  - companies providing hotel services, amusement parks and eco-tourism services.

These rates were introduced by Decree 261 of 24 February 2023, effective as from 1 March 2023.