Departamento di Impuesto

plan di contingencia COVID-19

Fiscal Relief and Stimulus Package 2020

This Fiscal Relief and Stimulus Package has been prepared in response to the COVID-19 pandemic to provide relief to entrepreneurs and individuals and to stimulate the economy of Aruba.

1. Extension of payment for monthly taxes due

Entrepreneurs or companies with a monthly gross revenue of one million Aruban Florins or less, and who have been affected by the COVID-19 outbreak, will be eligible for an extension of payment of the monthly taxes due for the periods of April, May and June 2020.

Additionally, the entrepreneurs or companies must have economic activities relating to the tourism industry such as, casinos, bars & restaurants, tour operators, coffee lounges, security companies, beauty parlors, travel agencies, car rental companies, perfume shops, watersports, carwash, jewelry stores, fashion retail stores, laundries & dry cleaners, ground handlers, employment agencies, construction companies.

To apply for the extension of payment for monthly taxes due, entrepreneurs or companies should:

1. File a request with the Tax Authorities.
2. Submit a simple report/statement showing cash flow challenges.
3. Comply in a timely manner with the monthly filing of the tax declaration forms pertaining to the periods April, May and June 2020.
4. Comply with the payment of the taxes due pertaining to the periods April, May. and June 2020 in a maximum of six installments after resuming economic activities.

The extension of payment is only applicable for the monthly taxes due of Toeristenheffing, BBO/BAVP/BAZV, Speelvergunningsrecht, Bijzondere Belasting Verblijf (BBV) and Bijzondere Belasting op Verhuurauto's en Verhuurmotorfietsen (BBVAM).

2. Payment exemption of employer's part of the monthly AOV/AWW premiums for the months of April, May and June 2020

Entrepreneurs and companies are exempt from payment of the monthly employer's part of the AOV/AWW premium contribution of the months of April, May and June 2020. To become eligible for this exemption the monthly filing of the wage tax and social premiums declaration must be accompanied by a 'payroll summary'. This requirement is applicable for entrepreneurs and companies having economic activities relating to the tourism industry such as, casinos, bars & restaurants, tour operators, coffee lounges, security companies, beauty parlors, travel agencies, car rental companies, perfume shops, watersports, carwash, jewelry stores, fashion retail stores, laundries & dry cleaners, ground handlers, employment agencies, construction companies.

3. Filing extension of the 2019 profit tax return and 2019 profit tax due, except for financial institutions

The due date for filing of the 2019 profit tax return and for payment of the 2019 profit tax due will be extended with six months. The filing due date for companies/entities with a fiscal year that correlates with the calendar year will be November 30, 2020. This extension is not applicable for financial institutions.

4. Postponement of three months of payment for existing payment arrangements

To help taxpayers with cash flow challenges, payments of outstanding taxes based on existing payment arrangements will be postponed for three months as of the month of April 2020.

5. No penalties for three months for late or partial payment of taxes due

No penalties will be imposed for a period of three months for late or partial payment of taxes due over the periods April, May and June 2020.

6. No collection interest on amounts outstanding

As of April 2020, no collection interest will be due for a period of three months on amounts of outstanding taxes, provided that a new payment arrangement has been concluded.

7. Flexible payment arrangements

Entrepreneurs, businesses and individual taxpayers including retired tax payers affected will be eligible for a flexible payment arrangements, applicable for taxes and non-taxes such as income tax, social premiums, profit tax, property tax and land lease.

- Maximum of 24 months for individual taxpayers with a minimum monthly payment of Afl. 100.
- Maximum of 24 months for companies or entrepreneurs with a minimum monthly payment of Afl. 500.
- Maximum of 36 months for retired individual tax payers (60+) with a minimum monthly payment of Afl. 75.

8. Discount for payment in full of outstanding amounts with the Tax Authorities

A special discount will be applicable for payments in full of outstanding amounts with the Tax Authorities with the following assessment dates ("dagtekening"):

- Assessments with an assessment date up until December 31, 2010: 75% discount.
- Assessments with an assessment date between January 1, 2011 and December 31, 2014: 50% discount.
- Assessments with an assessment date between January 1, 2015 and December 31, 2019: 10%.

9. Amendment of the policy on income tax rate reduction for dividend distributions

The dividend payments qualifying for a lower income tax rate have been extended beyond the publication of the Beneficial Policy in the National Gazette 2019 no. 26. Dividend payments by a foreign company, which capital is divided into shares, paid out from retained earnings accumulated prior or during the year 2019, but not later than December 31, 2019, also qualify for a lower income tax rate. However, the dividend payment must take place in the year 2020 to a resident shareholder.

10. Leniency for voluntary disclosure

Taxpayers or withholding agents who have failed to comply with their legal duty in a truthful, timely, and complete manner, may submit a request for voluntary disclosure to resolve non-compliance and limit exposure to criminal prosecution, without penalties being imposed.

A disclosure is timely if it is received before the Tax Authorities become aware or become suspicious and a fiscal examination is commenced or information related to the specific non-compliance has been acquired directly from a criminal enforcement action by the Tax Inspector and/or other civil servant responsible for law enforcement within the Tax Authorities.

11. Postponement of forcible collection process

The forcible collection process by means of (i) Seizure of salaries (wage garnishment), (ii) Seizure of bank accounts (seizure of funds) and (iii) Assets seizure, including real estate (forfeiture), will be postponed by three months starting as of April 2020. Forced collection by means of a warrant from the Tax Collector/Bailiff will continue its normal process.

12. Audit policy

Examination and tax review of an organization's books and records will be postponed until June 2020, with the exception of cases regarding tax fraud.

13. Improved service by online filing platform and online payment

Entrepreneurs and businesses have digital access to the services of the Tax Authorities through the online platform "BO impuesto" and are able to file their monthly tax declarations online, file objection letters and other specific requests.

The use of the online platform and online payment of tax amounts due is mandatory to avoid person-to-person contact as much as possible.

14. Transparent/Open communication lines

A strategy for more transparent and open lines of communication will be implemented, making use more effectively of social media channels such as Facebook, website and the DIMP-App. This to have a wider reach and provide information to taxpayers and identify non-compliant taxpayers.

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