



Labornet No. 1278

Changes in the Income Tax Act. Increase in Special Deduction. Executive Order No. 620/2021

Dear All,

This is to inform you that the reference EO was published in the Official Gazette of September 23, 2021, introducing changes in the Income Tax Act [Ley de Impuesto a las Ganancias (LIG)], namely:

- Exemption: Second installment of the Thirteenth Salary [Sueldo Annual Complementario]: exclusively for individuals whose gross salary and/or pension benefit does not exceed one hundred seventy five thousand Argentine pesos (ARS 175,000) per month, taking into account the average gross salary and/or pension benefit in the second half of the calendar year (Subsection z of Section 26 of the Income Tax Act).
- Special Deduction so that those employees who are paid gross salary up to one hundred seventy five thousand Argentine pesos (ARS 175,000) -this Deduction is increased until net income is zero (0)- and those pensioners who are paid up to eight (8) minimum pension benefits are exempt from Income Tax. For those employees whose gross salary and/or pension benefit exceeds one hundred seventy five thousand Argentine pesos (ARS 175,000) per month, but does not exceed two hundred and three thousand Argentine pesos (ARS 203,000) per month, inclusive, the Executive at the national level shall determine the amount of the additional deduction so that the burden of this Tax does not do away with the benefits intended with this measure and the related salary policy.

- The deduction set forth in the second-to-last paragraph of subsection c) of Section 30 of the Income Tax Act shall apply in the event that in the tax period 2021, the average gross monthly salary and/or pension benefit produces an amount lower than or equal to the amount for the respective band considering the annual average of the current amounts in each band, in accordance with the provisions of the fifth paragraph of the first unnumbered Section following Section 176 of the regulation of Income Tax Act.

Finally, it is stated that the Tax Authority [Administración Federal de Ingresos Públicos] shall adjust the provisions about the applicable deduction scheme based on the changes introduced by this EO.

This EO shall become effective on the date of publication in the Official Gazette and its provisions shall be applies to gross monthly salaries and/or pension benefits accrued as from September 1, 2021, inclusive.

Best regards,

Paula Analía Babij      M. Florencia Olaeta

1. For the purposes of the previous paragraph, “gross monthly salary and/or pension benefit” means the addition of all amounts earned, whichever their name, and not just the thirteenth salary to be added in accordance with the paragraph following the Section in question.