



2016 Americas indirect tax country guide

Global Indirect Tax Services

KPMG International

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Americas indirect tax overview

Types of indirect taxes (VAT/ GST/other indirect taxes excluding custom duties)					Standard VAT/GST rate		Voluntary VAT/ GST registration possible for an overseas company?		Does an overseas company need to appoint a fiscal representative?		VAT/GST grouping possible?	
Argentina	VAT		21%		3% average rate		No	No	No			
	Turnover tax											
	Tax on bank accounts		0.6% on every credit and debit in bank accounts									
	Municipal taxes		0%-3% based on sales attributable to the municipality									
	Stamp tax		1 % of the total value of the contract or instrument									
Aruba	Turnover tax and health levy		1.5% turnover tax and 2% health levy				No	N/A	Yes			
Bolivia	VAT		13%				No	N/A	No			
Bahamas	Excise tax (Impuesto al Consumo Especifico, (ICE)		Ad valorem ranging from 10% to 50%		750%		Yes	No	Yes			
	VAT, stamp duty, real property tax, business licence fees											
Brazil	ICMS (state sales tax)		17% standard rate 18% in Sao Paulo, Minas Gerais and Parana 19% in Rio de Janeiro				No	Yes	No			
Canada	IPI (federal excise tax)		Ranges from 0% to a maximum of 330% and average about 10%				Yes, if company meets certain conditions	No	No			
	ISS (municipal services tax)		Ranges from 2% to 5%									
	COFINS (social contribution for social security financing)		Standard rate is 7.6% and reduced rate is 3% (importation of certain products)									
	PIS (employees' profit participation program)		Standard rate is 1.65% and reduced rate is 0.65%									
	GST HST, GST, PST		5% GST, 13% to 15% HST, 5% to 8% PST, and 9.975% GST									
Caribbean Netherlands	General consumption tax (abbreviation in Dutch: ABB)		The rate is 8% in Bonaire and 6% in Saba and St. Eustatius				No	No	No			
Chile	VAT		19%				No	Yes	No			
	Additional tax on sumptuary products		Ranges from 15% to 50%									
	Additional tax on alcoholic beverages		Ranges from 20.5% to 31.5%									
	Additional tax on non-alcoholic beverages		Ranges from 10% to 18%									
	Additional tax on tobacco products		Ranges from 52.6% to 59.7%									
Colombia	Additional tax on emissions		Tax rate under a fixed formula				No	No	No			
	VAT		16%									
	National excise tax		4%, 8% or 16%									
	Regional excise duties		On liquors in COP — on cigarettes 55% — on beers 48% on beer mixtures 20%									
	Financial tax		0.4%									



Brazil

General	Types of indirect taxes (VAT/GST and other indirect taxes)	<p>There are two types of VAT in Brazil:</p> <ul style="list-style-type: none"> — ICMS, imposto sobre operações relativas à circulação de mercadorias e serviços de transporte interestadual de intermunicipal e de comunicações (tax on the circulation of goods and transportation and communication services), a state sales tax — IPI, imposto sobre produtos industrializados (tax on industrialized goods), a federal excise tax.
	Are there other indirect taxes?	<p>There are other taxes on supplies of goods or services:</p> <ul style="list-style-type: none"> — ISS, imposto sobre serviços (municipal services tax) — COFINS, contribuição para o financiamento da seguridade social (social contribution for social security financing) — PIS, programa de integração social (employees' profit participation program).
	What are the standard or other rates (i.e. reduced rate) for VAT/GST and other indirect taxes?	<ul style="list-style-type: none"> — The ICMS standard rate is 17%. — The ICMS rate of 18% in São Paulo, Minas Gerais and Paraná states. — The ICMS rate of 19% in Rio de Janeiro. — The rate applied on interstate movements of goods may vary based on the state of destination. — The IPI is normally charged at an ad valorem rate according to the classification of the goods based on the international harmonized commodity description and coding systems. Rates range from 0% to a maximum of 330% and average at about 10%. — The ISS standard rate ranges from 2% to 5%. — The PIS and COFINS standard rates under the so-called non-cumulative regime are 1.65% and 7.6%, respectively. Please note that the importation of goods and services have different rates as well as some specific listed products.
	Who is required to register for VAT/GST and other indirect taxes?	<p>If a business supplies goods and/or services that are subject to IPI, ICMS, ISS, PIS or COFINS in Brazil, registration is compulsory. There is no threshold below which a business is not required to account for these taxes.</p> <p>Businesses are required to separately register for ICMS in each state and ISS in each city where it has any kind of establishment.</p>