



SENIAT Readjusts the Value of the Tax Unit

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Through Administrative Ruling No. SNAT/2023/000031 (the Ruling), dated April 13, 2023, published in the *Official Gazette* of the Bolivarian Republic of Venezuela No. 42,623, dated May 8, 2023, issued by the National Integrated Customs and Tax Administration Service (SENIAT), the value of the tax unit is readjusted.

Within the aforementioned Ruling, it is established:

- The readjustment of the value of the tax unit from 0.40 bolivars to 9.00 bolivars.
- The value of the tax unit may only be used as a measurement unit for the determination of national taxes whose collection and control are within the competence of SENIAT, and may not be used by other bodies and entities of public power to determine labor benefits or special fees and contributions derived from the services they provide.
- In the case of taxes that are settled for annual periods, the applicable tax unit will be the one in force at the end of the respective fiscal year. For taxes that are settled for periods other than annual, the applicable tax unit will be the one that is in effect at the beginning of the period.

It is important to highlight that this readjustment represents an increase of 2,150 percent.

This new increase affects the payment of income tax, which is used by the tax unit for the purposes of the referential base for its calculation. In the withholding of income tax, therefore, the withholdings of workers must be adjusted.

This increase in the tax unit will not have an impact on tax penalties, since by virtue of the 2020 Organic Tax Code, they are established in the highest value currency, except in cases of updating fines based on the value of the tax unit at the time of payment. Those expressed in percentage terms are converted to the equivalent of the tax unit at the time of the commission of the crime.

In general, there is a tendency for the legislator to resort to these new ways of calculating the amount of administrative sanctions and fees for services, different from the tax unit, so that the impact of their increase will be reduced in these areas.

The readjustment entered into force on May 8, 2023, from the publication in the *Official Gazette* of the Bolivarian Republic of Venezuela.

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