

Machado
Meyer

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BRAZILIAN-AMERICAN
CHAMBER OF COMMERCE, INC.

Brazilian Tax Reform

Overview on the Bills in Congress and
the New VAT (CBS) proposed by the Government

September 24th 2020



- Moderator:
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- Pannelists:
 - Congressman Marcelo Ramos
 - Legislative Affairs Specialist: Guilherme Farhat
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MAIN CURRENT TAX REFORM PROPOSALS

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CCiF/BALEIA ROSSI/PEC 45

Proposal: substitution of 5 taxes (PIS, COFINS, IPI, ICMS and ISS taxes). In general, it does not authorize the concession of tax incentives. Federal Government, States and Municipalities determine sub rates that form the final rate. The sub rate indicates the participation of each political entity on the split of the tax revenues. Estimated rate of 25%



HAULY/DAVI ALCOLUMBRE/ PEC 110

Proposal: substitution of 8 taxes (IPI, IOF, PIS, COFINS, Education-Salary and CIDE-Fuels, ICMS and ISS). Concession of tax incentives is allowed under the rules of PEC 110. One general rate. The split of the tax revenues is made based on the rules of PEC 110



COMSEFAZ/EMC 192

Proposal: similar to PEC 45. However, excludes the Federal Government from the Steering Committee, as well as preserves the incentives of the Manaus Free Trade Zone.



MAJOR OLÍMPIO/ SIMPLIFICA JÁ

Proposal: suggested by municipalities.

Standardization of the ICMS and ISS legislations. Substitution of the PIS and COFINS for a new tax (CVA). Adjustments to the IPI legislation.



FEDERAL GOVERNMENT

Proposal: 4 Fronts

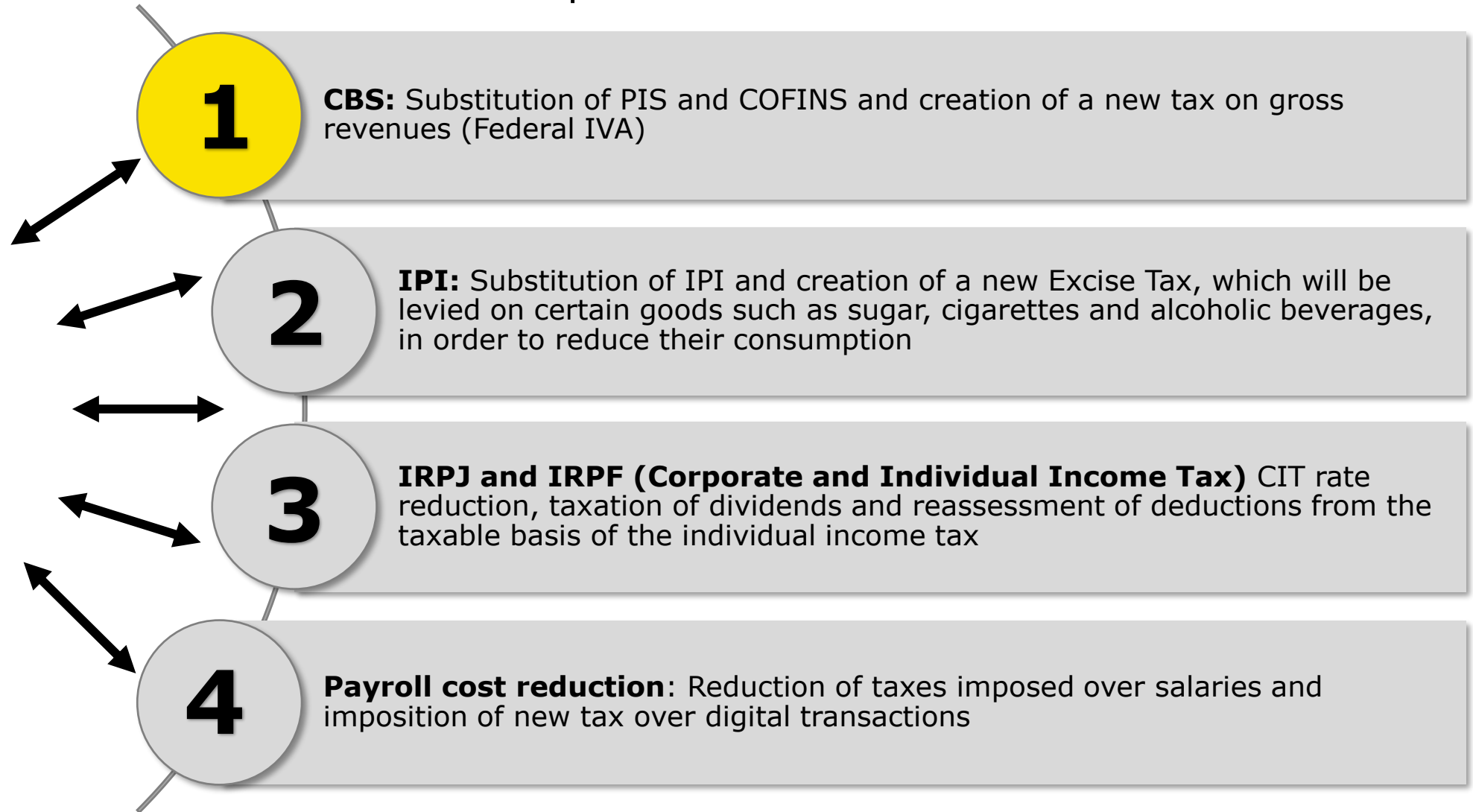
- 1) CBS – Substitution of the PIS and COFINS taxes
- 2) New Excise Tax in place of IPI
- 3) Reduction of CIT rates and taxation on dividends
- 4) Reduction of the payroll taxes and creation of a new digital tax (?)

TAX REFORM

FEDERAL GOVERNMENT PROPOSAL – 4 steps



Tax Reform



State and Municipal Taxes: the proposal does not change how the imposition of taxes over consumption (ISS and ICMS) occurs.

TAX REFORM

FEDERAL GOVERNMENT PROPOSAL – Bill of Law Justification



NEW MODEL – CBS – FEDERAL VAT/GST





Thank you!

