

Tax

# Intelligence

From complexity to execution



## Regulation of Brazil's VAT Reform

December 19, 2024 | Edition No. 41

Approval of PLP No. 68/2024

On December 17, 2024, the National Congress approved Complementary Law Project (PLP) No. 68/2024, which regulates the Constitutional Amendment (EC) No. 132/2023, instituting the VAT reform.

Following several changes made by the Federal Senate to the original version approved by the House of Representatives, PLP No. 68/2024 has returned to the House for further review and is now set to be sent for the President's sanction.

Below, we summarize the key points of the approved text, based on the substitute version passed by the Senate, as well as the rejections outlined in the PLP rapporteur's opinion in the House.



**Subject**

**Text of PLP No. 68/2024 initially approved by the House of Representatives**

**Substitute text of PLP No. 68/2024 approved by the House of Representatives following Senate review**

**IBS/CBS**

**Taxable event**

**Concept of related parties for the purpose of incidence on non-onerous transactions.**

Related parties were defined in accordance with the transfer pricing legislation under the scope of Corporate Income Tax (IRPJ).

Related parties (individuals and legal entities, as well as entities without legal personality) are defined as parties in which at least one is subject to the influence of another, either directly or indirectly, which may result in the establishment of terms and conditions in their transactions that differ from those that would be set between unrelated parties in comparable transactions.

For example, the following are considered related parties:

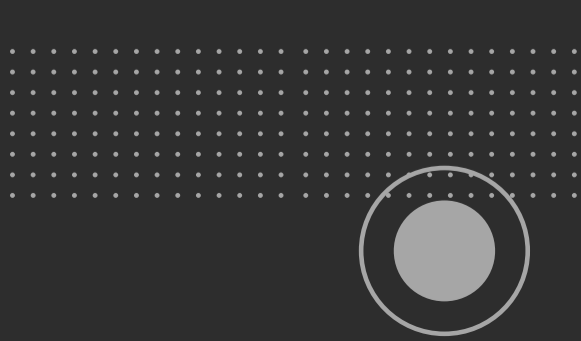
- the controlling entity and its controlled entities;
- affiliates;
- entities included in the consolidated financial statements or that would be included if the ultimate parent of the multinational group to which they belong were to prepare such statements, assuming its capital were traded on the securities markets of its jurisdiction of residence;
- entities where one of them has the right to receive, directly or indirectly, at least 25% of the profits of the other or its assets in case of liquidation;
- entities that are, directly or indirectly, under common control or in which the same partner, shareholder, or owner holds 20% or more of the share capital of each;
- entities in which the same partners or shareholders, or their spouses, partners, relatives, blood relatives or in-laws, up to the third degree, hold at least 20% of the share capital of each one; and
- the entity and the individual who is a spouse, partner, or relative, by blood or marriage, up to the third degree, of a counselor, director, or controller of that entity.



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<b>Characterization of Control Relationship</b>	Not foreseen.	<p><b>Control Relationship</b> is characterized when an entity:</p> <ul style="list-style-type: none"> <li>• Holds, directly or indirectly, alone or in conjunction with other entities, including due to voting agreements, rights that ensure it has preponderance in social deliberations or the power to elect or dismiss the majority of the administrators of another entity;</li> <li>• participates, directly or indirectly, in more than 50% of the share capital of another entity; or</li> <li>• holds or exercises the power to manage or oversee, directly or indirectly, the activities of another entity.</li> </ul>
<b>Concept of Associated Enterprise</b>	Not foreseen.	<p><b>Affiliate</b> is the entity that holds significant influence over another, as provided in the Corporations Law ("Lei das S/As").</p>
<b>Moment of Occurrence of the Taxable Event</b>		
<b>Advance Payment</b>	<p>There was no specific provision regarding the advance payment for the purposes of IBS/CBS incidence. However, the text contained a provision establishing that the taxable event was considered to have occurred at the time of supply or payment, whichever occurred first.</p>	<p>For the purposes of the occurrence of the taxable event, if full or partial payment occurs <b>before the supply</b>:</p> <ul style="list-style-type: none"> <li>• on the date of payment of each installment, advance payments of taxes will be required, which will be recorded as debts in the calculation;</li> <li>• on the date of supply, the final tax amounts will be calculated, and (i) if the advance amounts are less than the final amounts, the differences will be recorded as debts in the calculation, and (ii) if they are higher, the differences will be appropriated as credits in the calculation.</li> </ul> <p>If the supply referred to by the payment does not occur, the supplier may appropriate credits based on the value of the installments of the advances refunded.</p>



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<b>Place of Operation</b>		
<b>Intangible Movable Goods and Rights</b>	There was no segregation between onerous and non-onerous operations for the purpose of defining the location of the transaction, with the location being defined as the main domicile of the recipient.	It establishes the location of the transaction as the main domicile of: <ul style="list-style-type: none"> <li>• the purchaser, in onerous transactions;</li> <li>• the recipient, in non-onerous transactions.</li> </ul>
<b>Taxable Base</b>		
<b>Concept of Unconditional Discounts (which do not integrate the taxable base)</b>	Unconditional discount was defined as the price-reduction portion of the transaction that is included in the respective fiscal document and is not dependent on a subsequent event, even if granted through a loyalty program provided by the supplier itself, as long as the benefit meets the following requirements: <ul style="list-style-type: none"> <li>• it is used by its original holder; and</li> <li>• the good or service is subject to the same tax rate applicable to the good or service that gave rise to the benefit</li> </ul>	Unconditional discounts do not integrate the taxable base of the Subnational Tax on Goods and Services (IBS) / Federal Contribution on Goods and Services (CBS), however, the two requirements previously applicable to loyalty programs have been removed.
<b>Liable party</b>		
<b>Foreign Supplier Resident or Domiciled Abroad – Registration Requirement</b>	It was previously established that the supplier residing or domiciled abroad, as a general rule, would be a taxpayer of IBS/CBS and would be required to register for operations directly carried out in the country.	The supplier residing or domiciled abroad is required to register as a taxpayer if they carry out operations in the country, or as a tax responsible party in the case of imports.
<b>Real Estate Investment Funds (FII) and Investment Funds in Agribusiness Production Chains (Fiagro)</b>	Not foreseen.	FII (Real Estate Investment Funds) and Fiagro (Agricultural Investment Funds) <b>are not taxpayers</b> of IBS/CBS under the regular regime if their shares are more than 95% held by: <ul style="list-style-type: none"> <li>• FII or Fiagro that is not a taxpayer of IBS and CBS;</li> <li>• investment fund established and exclusively intended to receive resources from complementary pension benefit plans and personal insurance plans; and</li> <li>• pension entities and pension funds in the country.</li> </ul>

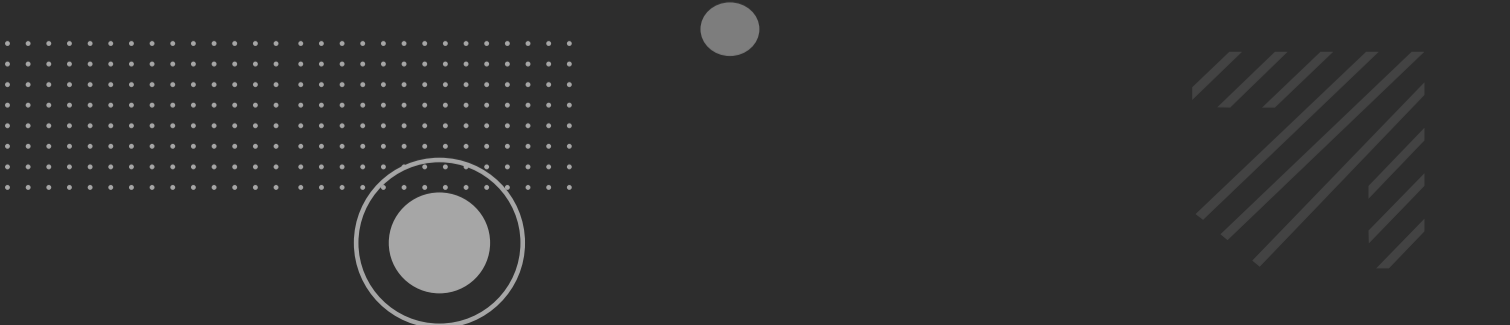




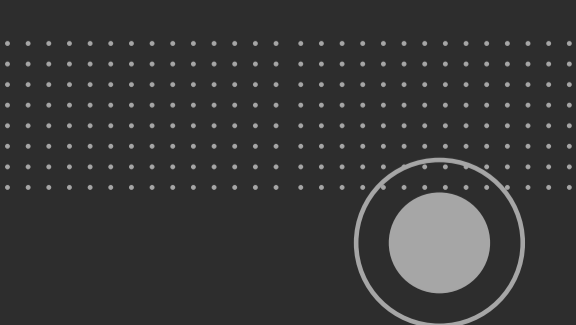
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<b>Plataformas digitais</b>		
<b>Digital Platforms</b>	<p>Digital platforms, even if domiciled abroad, would be responsible for the collection of IBS/CBS related to operations carried out through their intermediation, in the following cases:</p> <ul style="list-style-type: none"> <li>• As a substitute for the supplier, if the supplier were a resident or domiciled abroad; and</li> <li>• jointly with the taxpayer, if the taxpayer were a resident or domiciled in the country.</li> </ul>	<p>Responsibility attributed in operations and imports:</p> <ul style="list-style-type: none"> <li>• jointly with the purchaser or recipient and as a substitute for the supplier, if the supplier is a resident or domiciled abroad; and</li> <li>• jointly with the taxpayer supplier, if the supplier is a resident or domiciled in the country.</li> </ul> <p>Once the information duties established by the legislation are fulfilled, the digital platform will not be responsible for the payment of any differences in IBS/CBS by the supplier resident or domiciled in the country.</p> <p>In the event that the supplier is a resident or domiciled in the country and the payment process of the operation is <b>not</b> initiated by the digital platform (or if the payment process of the operation is initiated by the digital platform and the split payment is not made), the platform will not be responsible for the tax liability if it fulfills the legal information duty and the supplier issues a fiscal document.</p>
<b>Split payment</b>	Not foreseen.	In case the digital platform initiates the payment process for the transaction or import, it must provide the necessary information for the segregation and collection of the IBS/CBS amounts owed by the supplier in the financial settlement of the transaction (split payment).
<b>Fiscal invoice and Payment</b>	Not foreseen.	<p>The digital platform may choose, with the consent of the supplier residing or domiciled in the country:</p> <ul style="list-style-type: none"> <li>• to issue electronic tax documents on behalf of the supplier, including in a consolidated manner; and</li> <li>• to pay IBS/CBS based on the value and other information of the transaction intermediated by the platform, while maintaining the supplier's obligation regarding any differences.</li> </ul>
<b>Withholding by the Institution Conducting the Foreign Exchange Operation</b>	Not foreseen.	<p>If the supplier or the digital platform residing or domiciled abroad is not registered in the IBS/CBS registry:</p> <ul style="list-style-type: none"> <li>• the IBS and CBS will be segregated and collected on remittances to the supplier or platform by the institution carrying out the foreign exchange transaction, at the reference rates; and</li> <li>• any difference in IBS/CBS must be paid by or refunded to the purchaser or importer.</li> </ul>

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Electricity (The comparison below is of a summary nature. Other aspects will be the subject of more comprehensive Tax Intelligence specific to the Electric Sector).		
Collection - Responsibility	Not foreseen.	<p>It is provided that in transactions involving electricity or related rights, <b>the collection of IBS/CBS related to generation, commercialization, distribution, and transmission</b> will be carried out exclusively: by the electricity distributor in the sale to a purchaser served in a regulated contracting environment;</p> <ul style="list-style-type: none"> <li>• by the <b>seller</b> of electricity in the acquisition in a free energy contracting environment for the purchaser's consumption, or when the purchaser is not subject to the regular IBS/CBS regime;</li> <li>• by the <b>purchaser</b>, as the responsible party if the electricity acquisition is made for consumption in a multilateral manner; or</li> <li>• by the electricity <b>transmission company</b>, in the provision of electricity transmission services to a consumer directly connected to the basic transmission network.</li> </ul>
Moment of Collection	Not foreseen.	<p>Provides that the collection of IBS/CBS levied on the above-described transactions will occur only on the <b>supply</b>:</p> <ul style="list-style-type: none"> <li>• for <b>consumption</b>; or</li> <li>• to a taxpayer not subject to the regular IBS/CBS regime.</li> </ul> <p>In the electricity <b>transmission</b> service, the supply is considered to have occurred when the <b>payment</b> becomes due.</p>
Exclusion from the taxable base	Not foreseen.	<p>The taxable base of IBS/CBS excludes the electricity supplied by the distributor to the consumer unit, in the <b>amount corresponding to the energy injected into the distribution network by the same consumer unit</b>, plus the electricity credits generated by the same consumer unit during the same month, in previous months, or in another consumer unit of the same owner. The exclusion applies only to:</p> <ul style="list-style-type: none"> <li>• consumers participating in the Electric Energy Compensation System, as provided for in Law No. 14,300, of January 6, 2022; and</li> <li>• the compensation of electricity produced by microgeneration and mini generation, whose installed capacity is, respectively, less than or equal to 75 kW and greater than 75 kW and less than or equal to 1 MW; and</li> <li>• does not apply to the cost of availability, reactive energy, power demand, connection or distribution system usage charges, tariff components not associated with the cost of energy, and any other amounts charged by the distributor.</li> </ul>

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<b>Modes of Extinguishing Debts – split payment</b>		
<b>Payment System Operators</b>	It foresaw only electronic payment service providers as enablers of split payment, with the obligation to segregate and collect taxes.	It included in several provisions the payment system operators as also being responsible for enabling split payment.
<b>Simplified Procedure – Obligation</b>	It foresaw that the taxpayer could <b>choose</b> a simplified (pre-filled) procedure for all transactions where the buyer was not a taxpayer of IBS/CBS under the regular regime (e.g., retail).	As a general rule, the option is still foreseen, but it establishes that a joint act of the IBS Management Committee and the Brazilian Federal Revenue Service (RFB) may <b>determine</b> the use of the simplified procedure for transactions where the purchaser is not a taxpayer of the IBS and CBS, <b>while the standard procedure is not functioning properly for the main electronic payment instruments used in these transactions.</b>  There is no established deadline set for the full implementation of the standard split payment.
<b>Implementation</b>	The implementation of split payment should be carried out, <b>whenever possible</b> , simultaneously for the different electronic payment instruments.	Split payment <b>should be implemented simultaneously in transactions with purchasers who are not taxpayers of IBS/CBS under the regular regime</b> , for the main electronic payment instruments used in these transactions.  <b>This provision mainly impacts the retail sector.</b>



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Non-cumulativity		
<b>Immunity, Exemption, Zero Rate, Deferral, or Suspension - Credit Appropriation</b>	<p>It was foreseen that transactions exempt, immune, or subject to a zero rate would not allow the appropriation of credits for use in subsequent transactions, and that, in cases of <b>deferral or suspension</b>, the crediting would only be allowed at the moment of actual payment.</p>	<p>It now foresees that transactions that are immune, exempt, or subject to a zero rate, as well as deferral or suspension, will not allow the appropriation of credits by the purchasers of goods and services and that <b>there is no impediment to the appropriation of presumed credits expressly provided for in the Complementary Law.</b></p> <p>It further specified that <b>in cases of suspension</b>, if the suspended credit is required, the appropriation of credits will only be allowed at the moment of the extinction of the debts, with the appropriation of credits in relation to legal surcharges being prohibited.</p>
<b>Food services and daycare services - not considered for personal use or consumption</b>	<p>Not foreseen.</p>	<p>Food services (including non-alcoholic beverages) and daycare services, provided free of charge or at a price lower than the market value at the taxpayer's establishment for their employees and managers during the workday, <b>do not qualify</b> as goods for personal use or consumption.</p>
<b>Health care plans, transportation voucher, meal voucher, and food voucher - not considered for personal use or consumption</b>	<p>It established that health care plan services, meal vouchers, and food vouchers, when provided to employees and arising from collective labor agreements, <b>would not</b> be considered goods and services for personal use.</p>	<p>Services provided to employees <b>and their dependents</b> resulting from a <b>collective labor agreement or convention</b> related to health care plans, transportation vouchers, meal vouchers, and food vouchers <b>do not qualify</b> as goods and services for personal use.</p>
<b>Educational Benefits - not considered for personal use or consumption</b>	<p>The <b>incidence of IBS/CBS would not apply to</b> educational benefits granted by educational institutions to their employees and dependents, including the provision of scholarships or discounts on fees, provided that these benefits are offered to all employees, with differentiation allowed in favor of lower-income employees or those with larger families.</p>	<p>Educational benefits granted to employees and their dependents as a result of a collective labor agreement, including the provision of scholarships or discounts on fees, <b>do not qualify</b> as goods and services for personal use, provided that these benefits are offered to all employees, with differentiation allowed in favor of lower-income employees or those with larger families.</p>





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<b>Imports of intangible goods and services</b>		
<b>Imports of Intangible Goods and Services</b>	<p>It considered, among other scenarios, the importation of a service or intangible good, including rights, the supply made by a resident or domiciled abroad:</p> <ul style="list-style-type: none"><li>• <b>to a purchaser or recipient located in the Country; and</b></li><li>• for consumption in the Country, even if carried out abroad.</li></ul>	<p>It is considered the importation of a service or intangible good, including rights, among other scenarios, the supply made by a resident or domiciled abroad whose consumption occurs in the Country, even if the supply is carried out abroad.</p> <p>Therefore, the requirement that imposed the need for the purchaser or recipient to be located in the Country has been removed.</p>
<b>Taxpayer</b>	<p>Previously:</p> <ul style="list-style-type: none"><li>• the supplier was the taxpayer;</li><li>• the purchaser, as a rule, was jointly liable;</li><li>• if the purchaser was a resident or domiciled abroad, the recipient of the operations in the country was jointly liable.</li></ul>	<p>Currently:</p> <ul style="list-style-type: none"><li>• as a rule, the purchaser is the taxpayer;</li><li>• if the purchaser is a resident or domiciled abroad, the recipient is the <b>taxpayer</b>;</li><li>• the supplier resident or domiciled abroad has become <b>jointly liable</b> with the purchaser.</li></ul>
<b>Exports of Tangible Goods</b>		
<b>Suspension for raw agricultural products</b>	Not foreseen.	<p>Suspension of IBS/CBS payment on the supply of raw agricultural products to a taxpayer under the regular regime who promotes industrialization intended for export abroad and meets certain requirements.</p> <p>Responsibility is assigned to the purchaser in certain cases.</p>



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<b>Exports of Intangible Goods and Services</b>		
<b>Immunities for Services Related to the Export of Goods</b>	<p>It was previously considered that the export of a service or intangible good, including rights, involved the provision of services to a resident or domiciled abroad related to:</p> <ul style="list-style-type: none"> <li>• real estate located abroad;</li> <li>• movable property that enters the country for the provision of the service and returns abroad after its completion, observing the period established in the regulation; and</li> <li>• cargo transportation for export purposes, when contracted by a resident or domiciled abroad.</li> </ul>	<p>In addition to the aforementioned cases, the following services are considered exports of a service or intangible good, including rights:</p> <ul style="list-style-type: none"> <li>• as long as they are directly and exclusively linked to the export of tangible goods or associated with the delivery of tangible goods abroad: <ul style="list-style-type: none"> <li>• intermediation in the distribution of goods abroad (agent commission);</li> <li>• cargo insurance;</li> </ul> </li> <li>• customs clearance;</li> <li>• warehousing of goods;</li> <li>• road, rail, air, waterway, or multimodal cargo transportation;</li> <li>• cargo handling;</li> <li>• container handling;</li> <li>• unitization or de-unitization of cargo;</li> <li>• documental consolidation or deconsolidation of cargo;</li> <li>• cargo transportation agency;</li> <li>• express shipments;</li> <li>• cargo weighing and measurement;</li> <li>• cargo refrigeration;</li> <li>• operational leasing or rental of containers;</li> <li>• installation and assembly of exported goods; and</li> <li>• training for the use of exported goods.</li> </ul>
<b>Capital Goods Regimes</b>		
<b>Renaval</b>	Not foreseen.	Includes the Special Tax Regime for the Shipbuilding Industry.
<b>Credit on the Acquisition of Capital Goods</b>	Not foreseen.	Establishes the full and immediate credit of IBS/CBS on the acquisition of capital goods, when applicable.
<b>Acquisition of Tractors, Machinery, and Agricultural Implements</b>	<b>Suspension</b> of IBS/CBS payment for a period of 90 days on the acquisition or importation of heavy self-propelled vehicles, machinery, and equipment intended for the purchaser's fixed assets.	<b>Reduction to zero of the IBS/CBS rates</b> on the supply and importation of: <ul style="list-style-type: none"> <li>• tractors, machinery, and agricultural implements intended for rural producers who are non-taxpayers; and</li> <li>• cargo transport vehicles intended for autonomous cargo transporters who are non-taxpayer individuals.</li> </ul>



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<b>Cashback</b>		
<b>Provision of Telecommunications</b>	Not foreseen.	It now provides cashback for individuals who are members of lower-income families for the home supply of telecommunications services (percentages of 100% for the CBS and 20% for the IBS).
<b>Basic food basket</b>		
<b>Dietary Formulas for Inborn Errors of Metabolism</b>	Not foreseen.	Included in the basic food basket, subject to a zero rate.
<b>Mate Herb</b>	60% reduction in the IBS/CBS rates.	Included in the basic food basket, with IBS/CBS rates reduced to zero.
<b>Special Regimes</b>		
<b>Various services considered as health services, such as home care, sterilization, funeral services, among others</b>	Not foreseen.	60% reduction in the IBS/CBS rates.
<b>Medicines with 60% reduced rate</b>	Not foreseen.	To ensure the reflection of the reduction in the tax burden in prices, it is determined that the aforementioned reduction only applies to industrialized or imported medicines by legal entities that have signed with the Union and the IBS Management Committee, a commitment to adjust conduct, or that comply with the system established by the Chamber of Regulation of the Medicine Market (CMED), as provided by law.
<b>Soybean and Corn Oils</b>	Included in the basic food basket, subject to a zero rate.	60% reduction in IBS/CBS rates.



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<b>Diapers</b>	Not foreseen.	60% reduction in the IBS/CBS rates.
<b>National Artistic, Cultural, Event, Journalistic, and Audiovisual Productions</b>	Not foreseen.	Imposition as a requirement for the 60% reduction in the rates that theatrical, circus, and dance performances, musical shows, carnival or folk parades, and auditorium or journalistic programs, films, documentaries, series, soap operas, interviews, and music videos must be produced in the country and that they predominantly feature artistic, musical, literary, or journalistic works by Brazilian authors or be predominantly performed by Brazilian artists.
<b>Agricultural, Aquaculture, Fishery, Forestry, and Extractive Vegetal Products in Natura - Packaging</b>	<p>It established that the product was considered 'in natura' as it is found in nature, without having undergone any industrialization process or being packaged for presentation. It does not lose this condition if it has only undergone:</p> <ul style="list-style-type: none"> <li>• drying, cleaning, threshing of grains, or de-seeding; and</li> <li>• freezing, cooling, or simple packaging, when these procedures are intended solely for transportation, storage, or display for sale.</li> </ul>	It provides that specific regulations will stipulate the products that will not lose their 'in natura' quality when they require packaging for preservation, with the addition of concentration or preservatives to maintain the integrity and characteristics of the product.
<b>Forest Products - Equivalence</b>	Not foreseen.	For the 60% rate reduction, the provision of environmental services for the conservation or recovery of native vegetation is equated to the supply of forest products, even if provided in the form of sustainable management of agricultural, agroforestry, and silvopastoral systems, in accordance with the definitions and requirements of specific legislation.
<b>Agricultural and Aquaculture Inputs – New Items Subject to 60% Reduction</b>	Provision for a series of NCMs with a 60% rate reduction.	New items were added to the rate reduction and NCMs were corrected in the annex.
<b>Agricultural and Aquaculture Inputs – Deferral</b>	It was established that the collection of IBS/CBS would be deferred, provided that the <b>purchaser</b> is a rural producer, either an individual or a legal entity subject to the regular IBS/CBS regime, except for cooperative societies that opt for the specific regime.	<p>The collection of IBS/CBS is deferred for the following operations:</p> <ul style="list-style-type: none"> <li>• <b>Supply made by a taxpayer subject to the regular IBS/CBS regime to (or importation made by):</b> <ul style="list-style-type: none"> <li>• a <b>taxpayer</b> subject to the regular IBS/CBS regime; and</li> <li>• a non-taxpayer rural producer who uses the inputs in the production of goods sold to purchasers entitled to the appropriation of presumed credits.</li> </ul> </li> </ul>

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**Passenger Cars Acquired by Persons with Disabilities (PWD) or with Autism Spectrum Disorder**

Reduction to zero of the rates for automobiles whose sale price to the consumer, including the taxes that would be levied if there were no reductions and excluding the costs necessary for adaptation, does not exceed BRL 150,000.00, with the benefit limited to the transaction value of up to BRL 70,000.00.

The vehicle price limit has been raised to BRL 200,000.00.

**Presumed Credit on Acquisitions of Solid Waste from Incentivized Collectors for Use in Environmentally Appropriate Final Disposal Processes**

Calculated by applying the following percentages on the acquisition value recorded in a document accepted by the tax administration as per the regulations:

- 13% for IBS; and
- 7% for CBS.

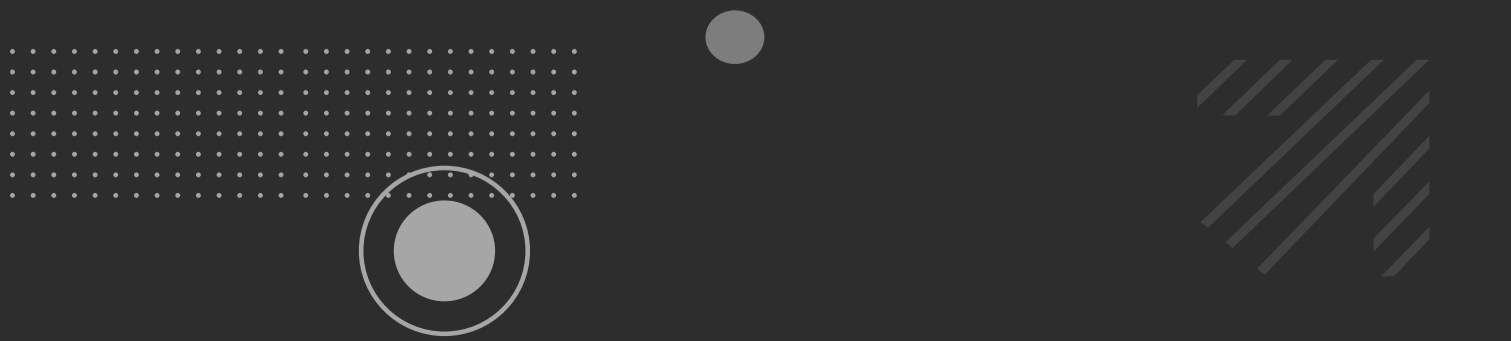
Presumed IBS credit calculated by progressively increased percentages from 2029 to 2033. The percentage related to the presumed CBS credit remains unchanged.

Permission to grant presumed credit on acquisitions of used or contaminated lubricating oil by a re-refiner or collector authorized by the National Agency of Petroleum, Natural Gas, and Biofuels (ANP).





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<b>Specific Regimes - Fuels</b>		
<b>Competitive Advantage for Biofuels and Low-Carbon Hydrogen</b>	It established that a joint act by the Federative Council of the IBS and the head of the Federal Executive Power would set the mechanisms to be used to ensure the competitive advantage for biofuels consumed in their pure form and for low-carbon hydrogen.	It established that IBS/CBS rates related to biofuels and low-carbon hydrogen can not be lower than 40% and can not exceed 90% of the rates applied to the respective compared fossil fuels.
<b>Specific Regimes - Real Estate</b>		
<b>Non-Taxpayers</b>	Not foreseen.	Individuals who engage in leasing, onerous assignment, and rental of real estate will be considered taxpayers under the regular IBS/CBS regime if, in the previous calendar year, their total revenue from these operations exceeds BRL 240,000 and they have more than three different properties.
<b>Rates</b>	In general, reduced by 40%, except for leasing, onerous assignment, and rental of real estate operations, which are reduced by 60%.	In general, reduced by 50%, except for leasing, onerous assignment, and rental of real estate operations, which are reduced by 70%.
<b>Specific Regimes – Hospitality, Amusement Parks, and Theme Parks</b>		
<b>Rates</b>	It provided that the IBS/CBS rates would correspond to a percentage of the standard rates of each federative entity, set in such a way that, when applied to the reference rates, it would result in a tax burden equivalent to that imposed on hospitality services, amusement parks, and theme parks.	Rates reduced by 40%.



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<b>Federal Excise Tax (IS)</b>		
<b>Exportation of Mineral Goods</b>	Previously, the IS was levied on the exportation of mineral goods.	It expressly provides that the IS does not apply to exports of mineral goods.
<b>Aircraft and Vessels - Graduated Rates According to Sustainability Criteria</b>	Not foreseen.	Graduation of IS rates on aircraft and vessels according to environmental sustainability criteria, including the possibility for ordinary law to provide a zero rate for those with zero carbon dioxide emissions or high energy-environmental efficiency.
<b>Duty-free shops</b>	Not foreseen.	Suspends the IS on imports and domestic market acquisitions made by duty-free shops.

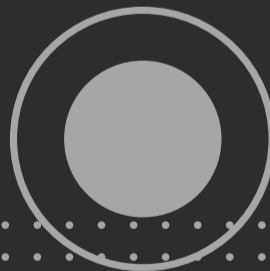




## Topics of PLP No. 108/2024 Also Addressed in PLP No. 68/2024

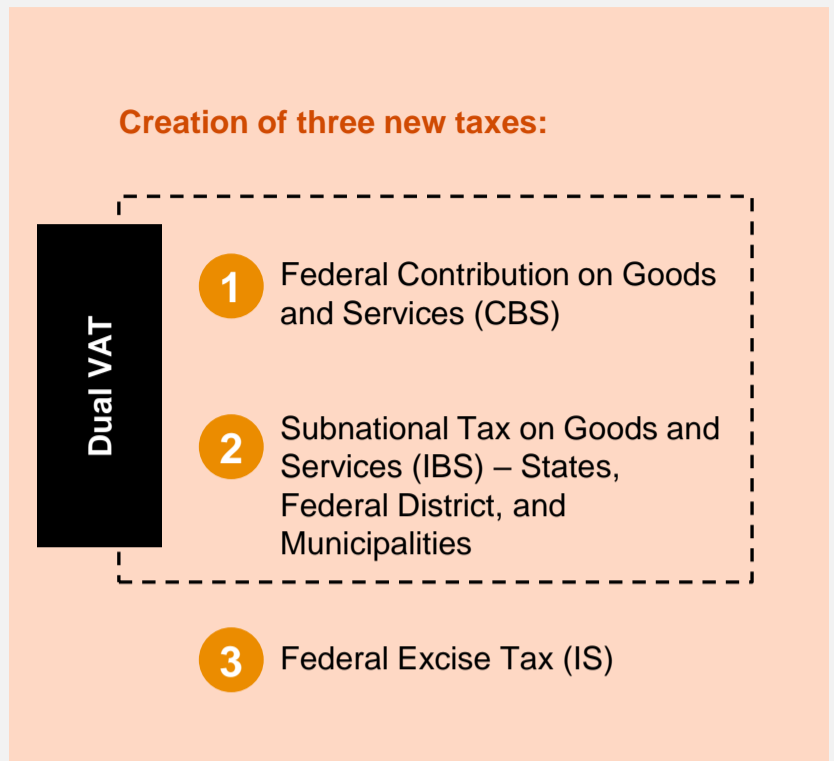
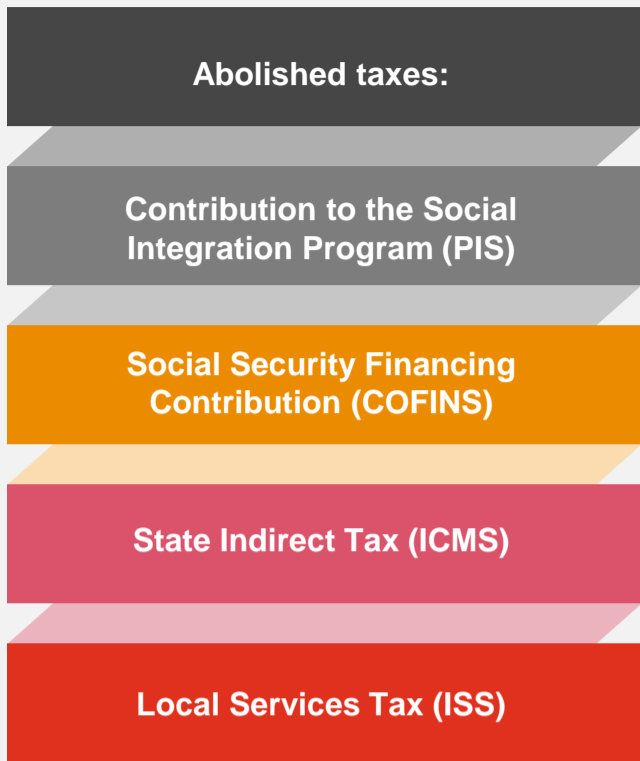
### IBS Management Committee

Although the regulation and establishment of the IBS Management Committee were initially addressed in PLP No. 108/2024, which is yet to be reviewed by the Federal Senate, part of the discussion has already been incorporated into the substitute of PLP No. 68/2024. Among other provisions, the substitute of PLP No. 68/2024 establishes that, by December 31, 2025, the Management Committee of the Tax on Goods and Services (CGIBS) will be instituted. It will be a public entity with a technical and operational nature under a special regime, headquartered in the Federal District. It will be endowed with technical, administrative, budgetary, and financial independence and its activities will be characterized by the absence of any linkage, oversight, or hierarchical subordination to any public administration body.



# Recap of the main changes of EC No. 132

Abolition of four taxes and regarding IPI (Tax on Industrialized Products) a special rule will be applied, benefiting products manufactured in Manaus Free Trade Zone.



**New state contribution:** States are authorized to establish contributions on primary and semi-finished products for investment in infrastructure and housing projects. This latest contribution will replace the current contributions to state funds which were valid on April 30, 2023, established as a condition to be met for applying deferral, special regime, or other differentiated treatment related to ICMS. The new contribution's rate and calculation base cannot exceed those of the replaced contributions and will be abolished on December 31, 2043.

## Transition period provided in the EC: coexistence of both tax systems, with old and new taxes collected in parallel

• The IBS will be charged at a state rate of 0.05% and a municipal rate of 0.05%, and the CBS will be reduced by 0.1%.

• Full adoption of the new consumption tax system.



• “Test phase” of the system, in which the IBS will have a rate of 0.1% and the CBS of 0.9%, with deduction of amounts due for PIS/Cofins.

• Start of CBS collection at its full rate and abolition of PIS/Cofins.  
 • Reduction of IPI rates to zero as a general rule.  
 • Start of IS collection.

• ICMS and ISS rates will be gradually reduced.  
 • ICMS and ISS benefits or incentives will be reduced in the same proportions as the rate reductions of these taxes until 2032, the last year of their existence.







### Broad incidence

- Onerous operations with material and immaterial goods, including rights and services arising from any act or legal business; and
- Non-onerous operations with goods or services expressly regulated in the PLP, including:
  - Gifts and bonuses;
  - Transfer of goods and services to a partner or shareholder that is not subject to IBS/CBS, through capital reduction in kind, dividend payment in kind, as well as transfer of goods that allowed the appropriation of credit;
  - non-remunerated supplies or those provided at a value lower than the market price to a related party.



### Non-incidence

- Provision of services by an individual (PF) in an employment relationship or acting as administrator;
- Transfer of assets between establishments of the same taxpayer;
- Transfer of corporate participation, including alienation;
- Transfer of assets due to merger, split, and incorporation and capital integration and return;
- Financial income and operations with securities, except as provided in the specific financial services regime.
- Dividends and Interest on Equity (JCP), interest or remuneration on capital paid by cooperatives; and
- Donations without compensation.



### Calculation base

**Value of the operation**, which includes the total amount charged by the supplier for any reason, except:

- IBS, CBS, and IPI applicable to the operation;
- unconditional discounts;
- reimbursements or refunds received for amounts paid for operations on behalf and order or in the name of third parties; and
- during the transition, amounts applicable to ICMS, ISS, PIS/Cofins, and PIS/Cofins-Import;
- Municipal Public Lighting Contribution (CIP).

**Market value** of goods or services in cases of:

- lack of operation value;
- operation without a determined value;
- operation value not represented in money; and
- operation between related parties.



### Tax liable party

The **taxpayer** is:

- the **supplier** who performs operations:
  - in the development of economic activity;
  - habitually or in a volume characterizing economic activity, or
  - professionally, even if the profession is not regulated;
- the **importer**;
- those expressly provided in the PLP.

**Responsibility** assigned to digital platforms like marketplaces, even if domiciled abroad, among other cases.



### Moment of triggering the taxable event

**Operations with goods or services:** generally, upon supply or payment, however, there is a provision for tax advances, with definitive amounts calculated on the date of supply.



### Operation location

Considering the destination-based taxation directive, as a rule, with specific exceptions as outlined in the PLP, the location of the operation is deemed to be:

- with movable material goods: place of delivery or availability of the goods to the recipient;
- with real estate, related movable material goods, and services provided on real estate: place where the property is located;
- for services provided physically on a natural person or enjoyed in person by a natural person: place of service provision; and
- for other services and other intangible movable properties, including rights:
  - for onerous operations: the main domicile of the purchaser; and
  - for non-onerous operations: the main domicile of the recipient.





### Cashback

**Cashback** system to reduce income inequalities with the following minimum thresholds for families with a per capita income of up to half the minimum wage:

- Cooking gas (up to 13kg), electricity, water, sewage, natural gas, and telecommunications: 100% for CBS and 20% for IBS;
- Other cases: 20% for CBS and IBS.



**Export** exemption and **import** taxation regardless of taxpayer location.

## Tax rates (yet to be defined)



**Standard rate for all goods and services**, with PLP-regulated exceptions provided in the EC that reduce it up to 100%—education services, health, basic food basket, among others—and specific regimes.



Each federative entity may set its IBS/CBS rate through a specific law, possibly linking it to the reference rate provided in the Senate resolution through a defined percentage **increase** or **decrease**.



**Reference ceilings for the tax burden** based on the average collection revenue in relation to GDP over a ten-year period (2012 to 2021), for the respective taxes.

For IBS, it is possible to charge a rate lower than the standard one, but a limit for this reduction must be observed.



The latest estimates from the Ministry of Finance indicate that the general Dual VAT rate should range between 25.9% and 27.5%.



# IBS and CBS in the approved PLP No. 68

## Non-cumulative VAT Framework



### Non-cumulative taxation conditioned on payment of taxes at the previous stage.

**Exception:** if the split payment or the collection by the purchaser is not implemented, the appropriation of credits will be conditioned on the highlighting in the electronic fiscal document.

Broad crediting, except for the acquisition of goods and services considered **for personal use and consumption**.

### Exemption and immunity

- result in the cancellation of the credit for previous operations by the beneficiary taxpayer; and
- will not result in credit for compensation with the amount due in subsequent operations.

### Zero rate

- guaranteed credit maintenance for previous operations by the beneficiary taxpayer;
- will not result in credit for compensation with the amount due in subsequent operations.

### Exports

With unrestricted credit maintenance.

**Prohibited transfer** of credits for any reason to another taxpayer, except in cases of merger, split, or incorporation.



### Refund of IBS/CBS credit balances

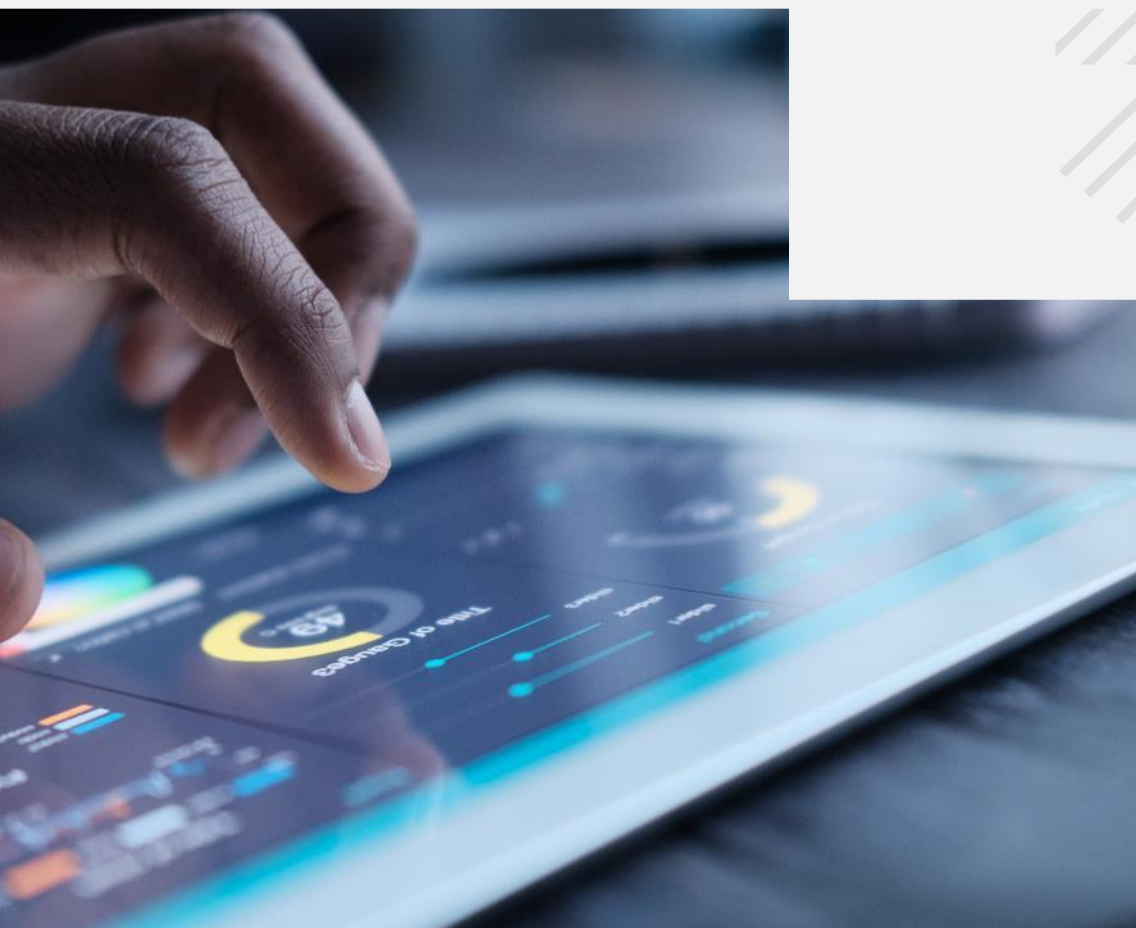
The IBS and CBS taxpayer with a credit balance at the end of the assessment period may request a full or partial refund.

### Deadlines for reviewing the refund request

- Up to 30 days: Taxpayers enrolled in compliance programs;
- Up to 60 days:
  - IBS and CBS related to the acquisition of goods and services incorporated into fixed assets;
  - Refund requests when amount is equal to or less than 150% of the monthly average value (last 24 months) of the difference between the IBS and CBS credits appropriated by the taxpayer and the debits on their operations.
- Up to 180 days in other cases.

In the absence of a response regarding the refund request within the above deadlines, the credit will be refunded to the taxpayer within 15 days.

**Adjustment by the Selic Rate (official government index)** starting from the first day of the second month following the request until the month prior to the reimbursement, plus 1% in the month of payment.





# IBS and CBS in the approved PLP No. 68

## Non-cumulative VAT Framework

### Goods and services for personal use or consumption, which do not grant the right to credit, such as:

- Jewelry, precious stones, and metals, unless traded or used for the manufacture of goods for resale;
- Artworks and antiques of historical or archaeological value;
- Alcoholic beverages;
- Tobacco derivatives, unless traded or used for the manufacture of goods for resale;
- Weapons and ammunition, unless traded or used for the manufacture of goods for resale or used by security companies;
- Recreational, sports, and aesthetic goods and services, unless traded or used for the manufacture of goods for resale, or used exclusively in physical establishments by its clients;
- Goods and services acquired or produced by the taxpayer and provided free of charge or at a value lower than market price (e.g., residential real estate or a vehicle) for:
  - the taxpayer themselves, when they are an individual or for their employees;
  - individuals who are partners, shareholders, administrators, and members of the board of directors, fiscal councils, and advisory committees of the taxpayer or their employees;
  - spouses, partners, or relatives, by blood or affinity, up to the third degree, of the aforementioned individuals;
  - goods and services related to the management of a family office.

### Exceptions to the Above Rule: Items Not Considered for Personal Use or Consumption

- Uniforms and workwear;
- Personal protective equipment (PPE);
- Food and non-alcoholic beverages provided at the taxpayer's establishment for their employees and administrators during working hours;
- Health and daycare services provided at the taxpayer's establishment for their employees and administrators during working hours;
- Health insurance, transportation vouchers, meal vouchers, and food vouchers provided to employees and their dependents as a result of a collective labor agreement or convention;
- Educational benefits for employees and their dependents as a result of a collective labor agreement or convention;
- Other goods and services that comply with criteria established in the regulations.



# IBS and CBS in the approved PLP No. 68

## Taxation framework—Assessment and payment



The monthly assessment period may be reduced by regulation.

Centralized calculation and payment, consolidating operations performed by all taxpayer's branches.



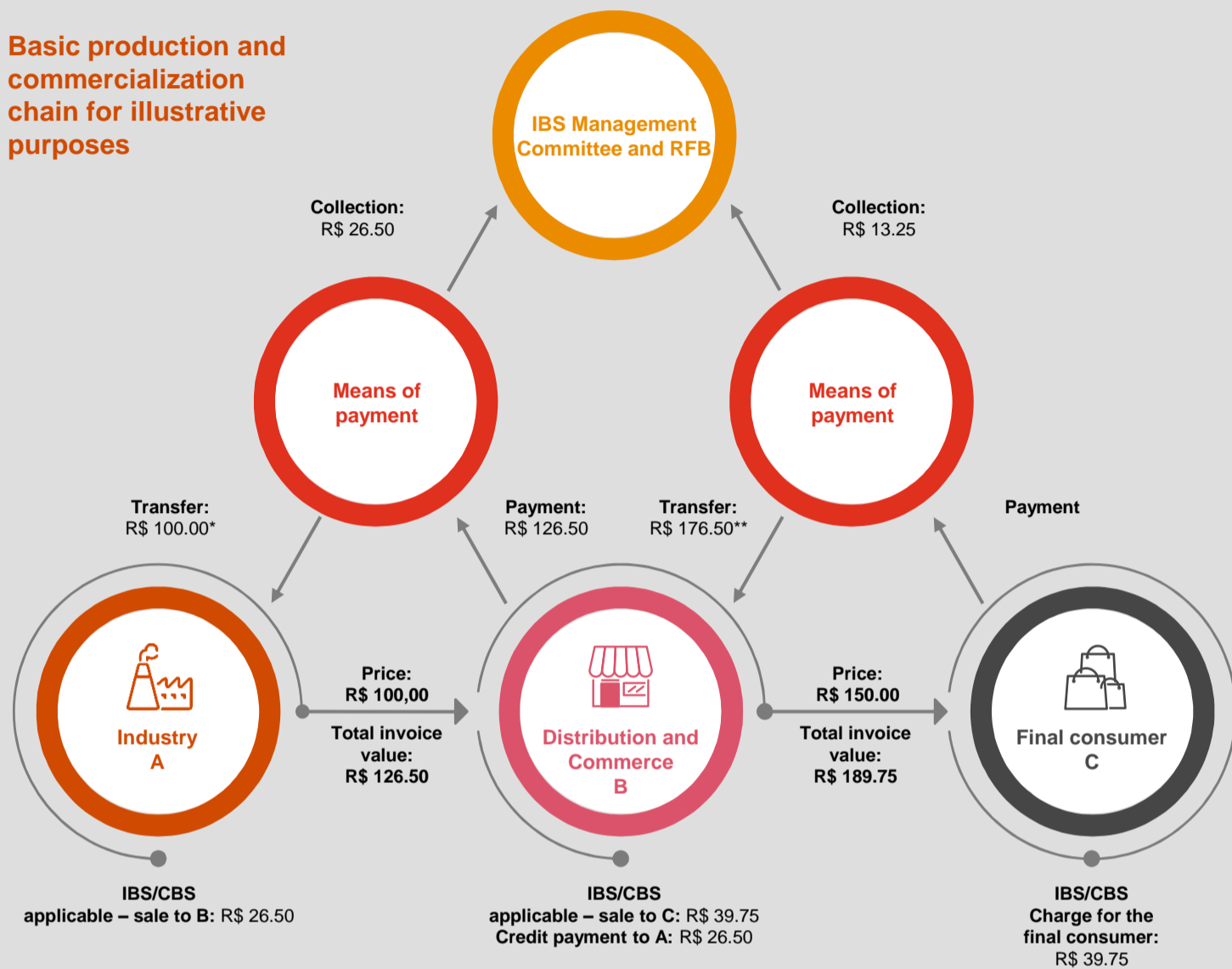
 The PLP provides for a series of modalities for the extinction of IBS/CBS debts:

- Compensation with credits appropriated by the taxpayer;
- Payment by the taxpayer;
- Collection in the financial settlement of the operation by payment service providers via electronic payment instrument (split payment);
- Collection by the purchaser using a payment instrument that does not allow collection by split payment, such as non-electronic payment methods like check or cash; or
- Collection by the responsible party.



As disclosed by the Extraordinary Secretariat of Tax Reform, the intention is that, with the exclusive adoption of electronic tax documentation for the new taxes, the purchaser's utilization of the respective credit will be conditioned on the actual payment of the tax in the previous stage, and that the assessment and payment method will be through split payment as a rule.

**Basic production and commercialization chain for illustrative purposes**



\* For illustrative purposes, we assumed there would be no credits from previous operations.

\*\* Ideal situation assuming that both hypotheses of § 3º of article 32 of the PLP will be implemented. Otherwise, the transfer by means of payment to B would be R\$ 150.00, with the IBS Management Committee and the RFB subsequently managing the R\$ 26.50 credit.

The simulation considers the average rate of 26.5% projected by the Federal Government (though yet to be legally enacted). It assumes all chain operations and respective settlements occurred within the same assessment period.

 **Additional comments:**

The adoption of split payment as the general rule for the assessment and payment of taxes will still depend on the existence of a unified digital payment system that ensures its effectiveness nationwide. Once such a system is established, the assessment and payment of taxes will occur through a mixed regime of accrual and cash basis, as the tax credit will be conditioned on payment, for the monthly assessment period, and due to the settlement of commercial transactions via split payment, respectively, in what can be called a "current account" of credits and debits among taxpayers on a national scale.

The amount collected through split payment, when exceeding the IBS/CBS liabilities, will be transferred to the supplier **within up to 3 business days**. It should be noted that the calculation of the excess amounts will only consider the transactions related to the payment.







## Split Payment (cont.)



Before making the funds available to the supplier, the payment service provider or the institution operating the payment system must, based on the information received, consult the system of the IBS Management Committee and the RFB regarding the amounts to be segregated and collected. These amounts correspond to the positive difference between:

- the IBS/CBS debts on the operation, highlighted in the electronic fiscal document; and
- the portions of the debts that have already been extinguished by any of the methods provided.

The so-called simplified split payment, in which the IBS and CBS to be segregated and collected by the payment methods will be calculated based on a pre-established percentage of the transaction value, which will not be related to the actual IBS/CBS debts on the transaction, is an option for the taxpayer in cases of full system implementation. It may also become mandatory for retail businesses while the standard procedure is not yet functioning adequately at the required level.

Exclusively in the simplified procedure, the deadline for returning the funds received that exceed the amount of IBS/CBS debts is counted from the conclusion of the assessment.

The split payment does not exempt the taxpayer from the responsibility of paying any remaining balance of IBS/CBS, considering the moment of the taxable event and the tax due date.

Other rules for split payment:

- the segregation and collection of IBS/CBS will occur on the date of the financial settlement of the payment transaction, in accordance with the payment flows established between the participants of the arrangement.
- in transactions involving goods or services with installment payments by the supplier, the segregation and collection of IBS/CBS must be carried out proportionally at the financial settlement of each installment.
- the early settlement of receivables does not alter the obligation to segregate and collect IBS/CBS as per the previous items.



# Tax incentives and favorable tax regimes in the approved PLP No. 68



## Small Taxpayers' System

The taxpayer under “Simples” may choose between the two taxation regimes for IBS/CBS:

- single, without allowing IBS and CBS credits and with the right to credit in the next stage of the chain by the purchaser, in the same amount as the charged value;
- general non-cumulative regime.



## Automotive sector

Presumed CBS credit granted to industries in the North, Northeast, and Center-West regions and Sudene and Sudam operating areas, under certain conditions, to encourage:

- the production of electric or hybrid vehicles with a combustion engine that uses biofuels either isolated or simultaneously with petroleum-derived fuels;
- the production of vehicles powered by an internal combustion engine that uses biofuels either isolated or cumulatively with petroleum-derived fuels.



## Manaus Free Trade Zone (ZFM) and Free Trade Areas (ALC)

The PLP lists several cases where suspension of incidence, zero rate reduction, and granting of presumed IBS/CBS credits may apply.

From January 1, 2027, **reduction to zero IPI rates** related to products manufactured in the ZFM in 2023 and subject to a rate below 6.5% in the Industrialized Products Tax Table (TIPI) in effect on December 31, 2023 (a list will be released). Exception: information and communication technology goods.

The State of Amazonas may establish a counterpart contribution similar to those existing on December 31, 2023, provided that it is intended for the financing of higher education, the promotion of micro, small, and medium-sized enterprises, and the development of the State, subject to legal requirements.



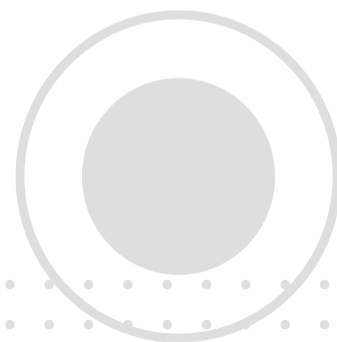
## Low carbon emission biofuels and hydrogen

Guarantee of competitive differential in setting specific rates per unit of measure to ensure lower taxation than that on fossil fuels.



## Special customs regimes, Export Processing Zones (ZPE) and capital goods regimes – suspension of IBS/CBS payment:

As a general rule, suspension of IBS and CBS payment.



## Specific tax regimes in the approved PLP No. 68

- **Fuels (monophasic):** applicable to operations involving: gasoline; anhydrous ethanol fuel (EAC); diesel oil; biodiesel (B100); liquefied petroleum gas (LPG), including liquefied gas derived from natural gas (LNG); hydrated ethanol fuel (EHC); aviation kerosene; fuel oil; processed natural gas; biomethane; compressed natural gas (CNG); and others that may be defined and authorized by the National Agency of Petroleum, Natural Gas, and Biofuels (ANP), listed in a joint act of the IBS Management Committee and the Federal Executive Branch. The calculation base will be the quantity of fuel involved in the operation, and the rates, adjusted in the year prior to their validity, observing the ninety-day anteriority rule for their increase, will be uniform throughout the national territory, specific per unit of measure, and differentiated by product. The appropriation of credits related to acquisitions intended for distribution, commercialization, or resale will be prohibited. However, the right to appropriate and use IBS/CBS credits in other operations (such as using them as inputs in the production process) is guaranteed, without the need to prove the payment of these taxes. Similarly, exporters are guaranteed the right to appropriate and use the credits.
- **Financial Services:** there will be taxation by IBS/CBS on financial services, and the calculation base will be composed of the revenues from these services with a series of deductions provided, depending on the service type. In credit operations, for example, the taxable base is the difference between the interest charged and the funding costs, even if accounted for in the net worth and expenses with Provision for Doubtful Accounts (PDA). Fees and commissions charged by financial institutions will be taxed by IBS and CBS under the general regime. From 2027 to 2033, as a rule, the nationally uniform rates will be set to maintain the tax burden on credit operations of banking financial institutions. Financial institutions and other companies subject to the specific regime will be able to appropriate and use the IBS and CBS credits on their acquisitions of goods and services. Taxpayers subject to the general regime, who are borrowers of credit operations, will be able to appropriate IBS/CBS credits, calculated at the same rate due on credit service operations, applied to the portion of financial expenses effectively paid, on a cash basis, that exceeds, after the date of its payment, the amortization of the principal and the financial expenses corresponding to the Selic Rate.
- **Real Estate transactions:** applicable to the sale, including those resulting from real estate incorporation and land subdivision; assignment and onerous translativo or constitutive act of real rights; leasing, onerous assignment, and leasing; and administration and intermediation services; civil construction services; easement, assignment of use or space; permission of use, right of way; and other cases where the use of physical space is allowed, when carried out for a fee. The calculation base is the transaction value; of the lease, onerous assignment, or leasing of the real estate; or of the assignment or onerous translativo or constitutive act of real rights over real estate; and the rates are generally reduced by 50%, except for leasing, onerous assignment, and leasing operations of real estate, which are reduced by 70%. Companies subject to the specific regime may appropriate and use the IBS/CBS credit on their acquisitions of goods and services. Finally, the Federal Senate innovated by providing that individuals who carry out leasing, onerous assignment, and leasing operations of real estate will be considered taxpayers under the regular IBS/CBS regime if, in the previous calendar year, the total revenue from these operations exceeded BRL 240,000 and if they have more than three distinct properties, which was maintained in the approved text.
- **Health Plans:** the taxable base will be the service revenue, which includes premiums, contributions, and financial income from technical reserves, with deductions for indemnities, amounts related to cancellations and premium refunds, the administration fee paid to benefit administrators, and amounts paid to brokers for intermediation. The rates, uniformly applied nationwide, will correspond to the reference rates of each federative sphere, reduced by 60%. Companies subject to the specific regime may appropriate and use the IBS/CBS credit on their acquisitions of goods and services. **The IBS/CBS credit is allowed for purchasers of health care plans when intended for employees and their dependents due to a collective labor agreement, as they do not qualify as goods for personal use or consumption.**

The PLP also provides for rules for the following specific regimes: lotteries; cooperatives; bars, restaurants, hotel services, amusement and theme parks, collective passenger transport, and travel and tourism agencies; Soccer Society (Sociedade Anônima do Futebol—SAF); operations covered by international treaties or conventions, including those related to diplomatic missions, consular offices, representations of international organizations, and their accredited staff.



# Excise Tax (IS) in the approved PLP No. 68

## Taxation framework



### Incidence

On production, extraction, commercialization, or import of goods harmful to health or the environment. **Not subject to non-cumulative taxation and will be triggered only once over the good or service.**

**Exhaustive list** with specific Common Nomenclature of Mercosur (NCM) codes and incidence on:

- vehicles;
- vessels and aircraft;
- smoking products such as cigars and cigarettes;
- alcoholic beverages;
- sugary beverages;
- extracted mineral goods such as iron ore, oil, and natural gas; and
- prediction contests and fantasy sport.



### Non-incidence

#### Immunities

- Exports, including supplying goods with the specific purpose of export to a commercial export company; and
- Operations with electricity and telecommunications.

#### Non-incidence

- Goods and services with a 60% reduction in the standard IBS/CBS rate (does not mention other percentages); and
- Public collective passenger transport services by road and subway, of urban, semi-urban, and metropolitan nature.

The EC provides that it will not be cumulative with IPI.



### Calculation base

- Value of sale;
- Auction value;
- Reference value in:
  - Non-onerous transaction or consumption of the good;
  - Extraction of mineral goods; or
  - Commercialization of tobacco products;
- Book value of incorporation of the good into fixed assets;
- That expressed in the appropriate unit of measure in cases where specific rates are provided;
- The revenue of entities that promotes the activity of prediction contests and fantasy sport.

The following are **not** included in the calculation base:

- ICMS, ISS (transition), IBS, CBS, and IS itself applicable to the operation;
- Unconditional discounts.



### Tax rates

Will be provided for in ordinary law.

#### Vehicles

Rates may be **reduced** or **increased** for each vehicle according to sustainability (ESG) criteria and technology use in the same way as the recently created the Mover Program, addressed in our [TI No. 31](#).

#### Other products

Rates may be specific (annually adjustable by IPCA) per unit of measure or *ad valorem*.

Operations with extracted mineral goods will respect the constitutional maximum percentage of 0.25% (lower than the constitutional maximum of 1%).

**Zero** rate for natural gas intended for use as an input in the industrial process.



### Tax liable party

#### Taxpayer

- Manufacturer
- Importer
- Auction winner
- Extractive producer
- Service provider

**Responsibility** assigned as a rule to the owner, possessor, transporter, or any other holder of national products from the manufacturer with export immunity, among other cases.



### Assessment

Monthly and centralized calculation and payment, consolidating operations performed by all taxpayer's branches.



### Triggering event

- First commercialization of the good;
- Auction winning bid;
- Non-onerous transfer of produced goods;
- Incorporation of the good into the fixed assets by the manufacturer;
- Extraction of mineral goods;
- Consumption of the good by the manufacturer;
- Provision or payment of the service, whichever occurs first; or
- Importation of goods and services.



# ICMS Fiscal or Financial-Fiscal Benefit Compensation Fund

EC No. 132 provides that:

- A Compensation Fund for ICMS Fiscal or Financial-Fiscal Benefits will be established to compensate individuals and legal entities benefiting from ICMS exemptions, incentives, and fiscal or financial-fiscal benefits granted for a fixed term and under conditions, considering the impacts of the reduction of these benefits until December 31, 2032;
- Applies to holders of burdensome ICMS benefits regularly granted until May 31, 2023, including extensions or renewals and those that, due to state legislative changes, have migrated to other programs or benefits between May 31, 2023, and the date of the Constitutional Amendment (EC) or are in the migration process on the date of EC promulgation;
- Criteria must be established in Complementary Law.

Provisions of PLP No. 68:

- Compensation will be done by **payment**.
- Establishes a series of concepts, including:
  - **Condition:** the counterparties provided for in the **granting act** or set by **law**, required from the benefit holder and that impose additional burdens or restrictions on their activity. **Examples** of counterparties are cited as follows:
    - aimed at implementing or expanding an economic enterprise linked to transformation or industrialization processes capable of adding value;
    - establishing new job creation; or
    - imposing a sales price limitation or restriction on contracting certain suppliers.
  - **Economic impact:** presumed and granted ICMS credits, discount granted on ICMS to be collected due to early tax payment, ICMS to be collected multiplied by the Selic Rate of the reference month in the case of extended ICMS payment benefit.
- Used the same concepts of implementing and expanding economic enterprise from Law No. 14,789/2023 (which deals with subsidies).
- **Established the compensation eligibility procedure and its conditions, setting deadlines for credit recognition of up to 60 days after the fiscal bookkeeping submission containing its demonstration and 30 days for resource delivery to the beneficiary with Selic interest application in case of late payment.**



# Treatment of accumulated credit balances of abolished taxes in the approved PLP No. 68

## ICMS

The EC provides for the use of existing credit balances at the end of 2032. These balances must have been approved by the respective federative entities, **under the complementary law terms**, through compensation with IBS:

- For the remaining period of the current regime for credits related to the entry of goods intended for fixed assets;
- In 240 equal and successive monthly installments in other cases; and
- Adjusted by IPCA from 2033.

PLP No. 68/2024, however, does not address the topic, which is currently object of the PLP No. 108/2024, yet to be analyzed by the Senate.

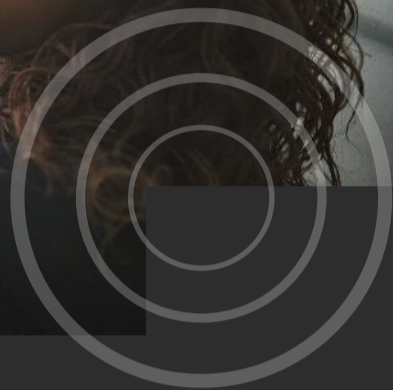
## PIS/Cofins

PIS and COFINS credits, including presumed credits not appropriated or used until the date of these contributions' extinction:

- will remain valid and usable, maintaining the deadline for their use;
- must be appropriately recorded in the PIS and COFINS bookkeeping environment;
- may be used for compensation with CBS amounts; and
- may be refunded in cash or compensated with other federal taxes, subject to the additional requirements set out in the PLP.







## Takeaways

### What should companies focus on at this moment?



The next nine years will require a transformation in several areas of the business as some illustrative and case-by-case complementary elements follow:

Economic modeling and tax intelligence	Organizational strategy	Resilience and risk factors	Corporate and operational structure	Performance indicators and strategic communication
<ul style="list-style-type: none"> <li>Impact measurement using efficient data and technology</li> <li>Optimal timing and method of transitioning from structures anchored in tax benefits</li> <li>Reasoning on Tax Reform aspects</li> </ul>	<ul style="list-style-type: none"> <li>Segment-specific aspects</li> <li>Feasibility of the business case based on the Tax Reform onwards</li> <li>Required governance for the transition period</li> </ul>	<ul style="list-style-type: none"> <li>Tax Reform as a new factor in the corporate risk and advantage spectrum</li> <li>Pricing strategies vs. demand impacts</li> <li>Repercussions on contracts / agreements in general</li> </ul>	<ul style="list-style-type: none"> <li>Consolidation / creation of entities, planning of real estate, labor etc.</li> <li>Logistics and distribution review</li> <li>Impacts of Tax Reform on suppliers / supplies</li> </ul>	<ul style="list-style-type: none"> <li>Mapping the effects on EBITDA and respective communication</li> <li>Repercussion with stakeholders in general</li> </ul>

#### Key transformation channels:

1	Processes	
2	Technology	
3	People	
4	Data	





Want to understand more about how this topic can affect your business? [Talk to PwC.](#)

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