

Elimination of tax benefits for holders of concessions, authorizations or permits

Mexico City, January 23, 2024

Until 2023, the Miscellaneous Tax Resolution granted the following tax benefits to taxpayers who were holders of concessions, authorizations or permits for the construction, operation and maintenance of public works such as highways, bridges, hydraulic infrastructure, sewage systems, agricultural irrigation, ports, railroads and airports:

- a) the option to apply deductibility percentages for fixed assets depreciation, based on the concession, authorization or permit period;
- b) extension of the term for the carry forward of tax losses up to the termination of the concession, authorization, or permit, and
- c) exception to consider governmental contributions as taxable income and as debt for annual inflation adjustment purposes.

However, as of January 1, 2024, these benefits were repealed from the Miscellaneous Tax Resolution, without providing for a transition regime that would give legal certainty to those taxpayers that had opted to apply them.

For more information or advice related to the content of this tax benefits elimination, please consult with our Firm's Tax and Infrastructure practices.

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