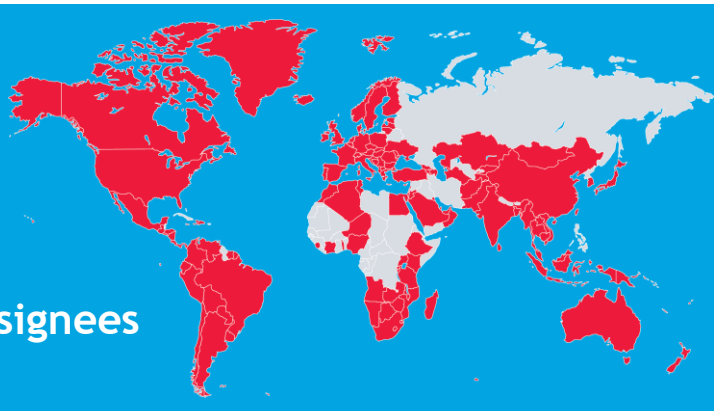
INPATRIATES Guatemala

Tax facts for International Assignees



INCOME TAX: WHO IS LIABLE/RESIDENCY

Employers are responsible for deducting (withholding) and paying income taxes for any employees residing in Guatemala.

Any employer who pays or credits payments of any kind for services performed as an employee, whether temporary or permanent, must withhold income tax from the employee in Guatemala.

Similar obligations must be accomplished by public employees and officials who are responsible for the payment of salaries and other compensations for services rendered to state agencies, decentralized autonomous entities, municipalities and businesses.

An individual is considered a resident for tax purposes when either of the following circumstances occurs:

- If the individual remains in national territory more than one hundred and eighty-three (183) days during the calendar year, even if it is not continuously.
- The individual's center of economic interest is located in Guatemala. Unless the taxpayer proves his residence or fiscal domicile in another country, by means of the corresponding certificate issued by the tax authorities of said country.

According to the above, consider the following:

- If foreigners provide services in Guatemala as independent service providers, it is not necessary to obtain a work permit. They may be required to register an economic activity to request an authorization o issue invoices and make tax payments to the tax authorities.
- If foreigners remain in Guatemala less than 183 days during the calendar year, they can provide services in Guatemala as independent services providers, it is not necessary to obtain a work permit or register with the Superintendence of Tax Administration –SAT- (tax authority); however, the person who pays the rent in Guatemala, must make income tax withholding for non-residents. The tax rate of income tax withholding of non-residents is from 5% to 25%, depending on the type of income.

REGISTRATION/FORMALITIES

Foreign employees in general must meet the following requirements:

- Legalize immigration status
- Apply for work permit
- Liquidate their income tax in Guatemala.
- Process tax identification number.

INCOME TAX RATES

Tax rate	Fixed tax	Range of taxable income
5% on taxable Income	Q0.00	Q0.01 to Q300,000.00
7% on the excess of Q300,000.00	Q15,000.00	Q300,000.00 onwards

Withholding of Income Tax from Non-Residents

Type of income	Tax rate
Dividends, distribution of profits, profits and other benefits, as well as any transfer or crediting in account to their parent companies abroad, without consideration from permanent establishments of non-resident entities. (payments to shareholders)	5%
• Salaries, allowances, commissions, bonuses and other remunerations that do not imply reimbursement of expenses. • The payments or accreditation in bank account to athletes and artists of theater, television and other public or acting shows. • The royalties, in the terms of article 4 of this book. • The fees. • Scientific, economic, technical or financial advice.	15%
Other taxable income not specified in the above numerals.	25%

SOCIAL TAX RATES

Social security	Social tax rate
Labor share	4.83%
Employer's contribution	12.67%

For further information and to register for future updates contact expat@bdo.global

This publication has been carefully prepared, but it has been written in general terms and should be seen as containing broad statements only. This publication should not be used or relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained in this publication. No entity of the BDO network, its partners, employees and agents accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it.
The BDO network (referred to as the 'BDO network') is an international network of independent public accounting, tax and advisory firms which are members of BDO International Limited and perform professional services under the name and style of BDO (hereafter: 'BDO member firms'). BDO International Limited is a UK company limited by guarantee. It is the governing entity of the BDO network.
Service provision within the BDO network is coordinated by Brussels Worldwide Services BV, a limited liability company incorporated in Belgium.
Each of BDO International Limited, Brussels Worldwide Services BV and the BDO member firms is a separate legal entity and has no liability for another entity's acts or omissions. Nothing in the arrangements or rules of the BDO network shall constitute or imply an agency relationship or a partnership between BDO International Limited, Brussels Worldwide Services BV and/or the BDO member firms. Neither BDO International Limited nor any other central entities of the BDO network provide services to clients.
BDO is the brand name for the BDO network and for each of the BDO member firms.
The fee income of the member firms in the BDO network, including the members of their exclusive alliances, was US$ 12.8 billion in 2022. These public accounting, tax and advisory firms provide professional services in 164 countries & territories, with 111,307 people working out of 1,803 offices worldwide.
© Brussels Worldwide Services BV December 2023

www.bdo.global