



Newsletter

Agreement 1084 of 2026 – Bogotá Tax Reform

The Bogota City Council has issued the [Agreement No. 1084 of 2026](#), establishing tax incentives to [promote competitiveness, investment and job creation](#), adopting a surcharge on the property tax to fund the public street lighting service, optimizing the collection of district taxes, and introducing certain specific procedural provisions.

The regulation combines incentives for new investments, business reinvestments, strategic initiatives within the Airport District and certain real estate projects, [together with new collection measures and amendments to the administration of district taxes](#).

Executive summary

Axis	Approved content
Productive investment	Progressive ICA exemption for new taxpayers making investments of at least 88,073 TVU and creating the required minimum number of jobs.
Business reinvestment	60% or 80% tax credit against the ICA differential, applicable during the two years following completion of the investment.
Urban development	Property tax and urban delineation tax benefits for the Airport District, urban renewal, specialized rental projects and certain heritage areas.
Settlement of outstanding liabilities	60% reduction of interest and penalties, subject to a single full payment by December 21, 2026.
Real estate tax collection	Property tax surcharge to fund public street lighting as of January 1, 2027, and amendment of property tax rates.

Incentives for investment and business development

ICA exemption for attraction of large investments.

The Agreement establishes a progressive Industry and Commerce Tax (ICA) exemption for taxpayers that were not subject to ICA in Bogota before the Agreement entered into force, or that registered the cessation of activities in the Municipal Tax ID (RIT) at least one year beforehand, provided they carry out one of the expressly listed activities and invest in productive fixed assets.

The investment project must be submitted no later than June 30, 2031, and its implementation may not exceed five years from notice of the decision approving it. The exemption may be claimed beginning in the taxable year following completion of the investment.

Investment	Minimum direct employment	Approved exemption
88,073 to 440,364 TVU	At least 30 jobs	100% in year 1 and 50% in year 2
More than 440,364 up to 880,728 TVU	At least 50 jobs	100%, 80%, 60%, 40% and 20% over five years
More than 880,728 TVU	At least 100 jobs	Ten years: 100%, 90%, 80%, 70%, 60%, 50%, 40%, 30%, 20% and 10%

The minimum number of jobs must be maintained throughout the benefit period. If the number decreases, the taxpayer will have two months to restore the required headcount; otherwise, the exemption for the relevant year will be forfeited.

ICA tax credit for taxpayers making new investments.

Companies registered in the RIT that invest in productive fixed assets and report growth in ICA liability may claim [a tax credit equal to a percentage of the difference between the tax payable for the qualifying period and the tax payable for the same period of the preceding year](#). The required growth is equal, for the first year, to the annual change in the Consumer Price Index (CPI) plus three percentage points and, for the second year, to the annual change in the CPI.

Investment	Approved tax credit
88,073 to 880,728 TVU	60%
More than 880,728 TVU	80%

[The project must be submitted before December 31, 2027](#); the competent District authority must decide on its approval no later than [June 30, 2028](#). The investment must be completed within a maximum period of three years, and the tax credit will apply during the two years following its completion.

Fontibon and Engativa airport district

The regulation adopts a special regime for investments made within the strategic initiatives of the Fontibon Airport District and the Engativa Airport District. The regime includes benefits related to ICA, property tax and urban delineation tax, subject to compliance with requirements concerning activity, investment, employment, location and sustainability. [\(It is important to verify the qualifying activities in order to be eligible for the progressive exemption\)](#).

As a key eligibility requirement, the applicant [must not have been an ICA taxpayer in Bogota, or must have registered the cessation of activities in the RIT at least one year before the Agreement entered into force](#).

Investment scale	Minimum employment	ICA exemption
352,291 to 2,642,185 TVU	30 direct jobs	Ten years: 100%, 90%, 80%, 70%, 60%, 50%, 40%, 30%, 20% and 10%
More than 2,642,185 TVU	200 direct jobs	100% for years 1 to 5; then 80%, 60%, 40%, 20% and 10%

Projects falling within Section 5 of the Agreement [must be submitted no later than June 30, 2035](#) and completed within a maximum period of five years. As a special condition, the direct jobs must be maintained throughout the benefit period.

Related real estate tax benefits.

- A [100% property tax exemption applies during years 1 to 5, followed by exemptions of 80%, 60%, 40%, 20% and 10% through year 10](#).
- A [100% urban delineation tax exemption applies to works or construction required to carry out the approved investment project](#).

- The project **must hold one of the sustainable construction certifications** recognized under the Agreement.

Urban renewal, rental housing and heritage

Urban renewal and PRUMS.

Owners contributing real property to housing projects located in urban renewal areas or to Urban Renewal Projects for Sustainable Mobility (PRUMS) **may qualify for a property tax exemption on the real estate units received as consideration**. Contributions must be made from the date the Agreement enters into force through **December 31, 2031**.

Period	Property tax exemption
Years 1 to 5	100%
Year 6	80%
Year 7	60%
Year 8	40%
Year 9	20%
Year 10	10%

Specialized rental projects.

Residential projects intended for specialized rental **may claim a property tax exemption for ten years, subject to conditions including a new-construction building permit issued after the Agreement**, a minimum of 50 units, a single owner, actual use for rental purposes, a duly registered operator and sustainable construction certification.

Period	Property tax exemption
Years 1 to 5	100%
Year 6	80%
Year 7	60%
Year 8	40%
Year 9	20%
Year 10	10%

Projects that use the qualifying properties for short-term stays or vacation rentals will not be eligible for this exemption. In addition, **projects may not conduct short-term or vacation rental activities pursuant to Law 2068 of 2020**.

Urban delineation tax in PEMP areas and sectors of cultural interest.

For the five years following publication of the Agreement, certain renovation, expansion, modification or structural reinforcement projects located within the Historic Center PEMP, the Teusaquillo PEMP and certain heritage properties within the area of influence of the foundational squares of Usaquen, Bosa, Suba, Usme, Engativa and Fontibon will qualify for a 100% urban delineation tax exemption.

Relief for district tax and non-tax liabilities

Persons with outstanding District tax and non-tax liabilities may obtain a 60% reduction of accrued interest and penalties. To qualify for the relief, they must pay, no later than December 21, 2026, 100% of the principal and 40% of the interest and penalties accrued as of the payment date.

For penalties imposed for failure to submit information, the liable party may obtain a 60% reduction and must pay 40% of the assessed penalty.

- The relief does not apply to tax liabilities of ICA withholding agents.
- The benefit does not apply to administrative acts challenged through an action of reinstatement of rights before the administrative courts.
- The full payment must be made in a single payment no later than December 21, 2026.

Property tax surcharge for public street lighting

The Agreement adopts in Bogota a property tax surcharge to fund the public street lighting service, effective January 1, 2027. The taxable base will be the same as that applicable to the property tax for the relevant tax year.

Category	2027 to 2041	2042 onward
Residential properties in strata 1, 2 and 3 with a taxable base up to 20,000 TVU; non-developable land; protected areas; rural land; ancillary storage units and parking spaces	0 x 1000	0 x 1000
Residential properties in strata 1, 2 and 3 with a taxable base exceeding 20,000 TVU, and all residential properties in strata 4, 5 and 6	0,4 x 1000	0,2 x 1000
Institutional-use properties; developable but undeveloped land or developed but unbuilt land	0,8 x 1000	0,6 x 1000
Commercial, financial and industrial properties	1 x 1000	0,8 x 1000

The annual surcharge may not exceed 600 TVU for residential properties and 1,200 TVU for other properties. In addition, taxpayers excluded from property tax and those qualifying for a 100% exemption will not be required to file or pay the surcharge while such treatment remains in effect.

Property tax: main approved rates

The Agreement amends the property tax rate structure. For residential properties subject to the general scale, progressive rates ranging from 5.5 to 13.9 are adopted, depending on the taxable base.

Category	Approved rate
Commercial	8 x 1000 up to COP 363,264,000 and 9.5% for higher taxable bases
Financial	16 x 1000 for any assessed value
Industrial	10 x 1000 for any assessed value
Developable but undeveloped land or developed but unbuilt land	12 x 1000 up to COP 63,048,000 and 33% for higher taxable bases
Publicly owned institutional-use properties	5 x 1000 for any assessed value
Privately owned institutional-use properties	6.5 x 1000 for any assessed value, without prejudice to the special table applicable to certain clubs

Industry and commerce tax

Article 21 of the Agreement establishes rates ranging from **4% and 21%** for the various activities, which should be analyzed individually to determine the applicable impact.

Activity	Range
Industrial	4 to 11 x 1000
Commercial	4 to 21 x 1000
Services	4 to 13 x 1000
Financial and related activities	21 x 1000

The rates would apply as of **January 1, 2027** for annual filers and from the two-month period following approval of the Agreement for bimonthly filers.

Fire department surcharge.

Taxpayers subject to the surcharge would be determined based on an annual net income threshold of **38,000 TVU**. Bimonthly filers would make advance payments equal to 1% of the ICA assessed.

Procedural and penalty provisions

- With respect to **ICA** filing frequency, beginning in taxable year 2027, taxpayers whose tax payable for the preceding year exceeds 391 TVU must file on a bimonthly basis (Ordinary Regime). Under the Preferential Regime, taxpayers with tax payable of up to 391 TVU will file annually and, if their net income is below 1,933 TVU, they will not be required to file a return and their tax liability will equal the withholdings applied to them.
- For penalties related to failure to submit information, the applicable rates are reduced from **5%, 4% and 3% to 1%, 0.7% and 0.5%**, respectively.

- As a relevant provision of the Agreement, the Bogota District Department of Finance may serve notices at the email address registered by taxpayers in the [RIT](#).
- A reduction applies to penalties self-assessed by the taxpayer (70%) and to penalties proposed or assessed by the tax authority (50%).
- As of [January 1, 2027](#), the outdoor visual advertising tax and the unified tax for the Fund for the Poor, Games of Chance and Public Entertainment are abolished.

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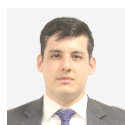
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