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Newsletter

Bill 477 of 2026 introduced in the House of Representatives for discussion - Economic Rescue Act

On October 29, 2026, the Ministry of Finance and Public Credit introduced Bill 477 of 2026 to the House of Representatives. The filed text contains 106 sections arranged in seven titles and combines expenditure cuts, adjustments to the fiscal rule, new sources of social security funding, a broad reform of VAT and excise taxes, changes to individual and corporate income tax, a temporary wealth tax, a stability regime for large investments, a tax regularization program, and relief measures for liabilities administered by the Colombian Tax Authority (DIAN).

This Newsletter focuses exclusively on the tax provisions and changes to social security contributions. The Bill is still undergoing the legislative process and may therefore be amended during congressional debate. Unless expressly stated otherwise, the income tax, wealth tax and contribution changes would apply from 2027, while the structural VAT changes would apply from January 1, 2028.

Executive Summary

Area	Proposed provisions
Social security contributions	The exemption under Section 114-1 of the Colombian Tax Code would be limited to employees earning up to 2 statutory monthly minimum wages (MG), partially available between 2 and 3 MG, and eliminated above 3 MG. Employee health contributions would become progressive from 4% to 8%; total contributions for independent workers would range from 12.5% to 15.5%.
Excise taxes	Sharp increases for spirits (COP 750 per degree of alcohol and 35% ad valorem), cigarettes (COP 7,823 per pack in 2027 and COP 11,200 in 2028), and a new beer production tax. Spirits would also become subject to the general 19% VAT rate.
VAT	From 2028, the lists of excluded goods, zero-rated goods and excluded services would be rewritten, the 5% rates eliminated, and the EfectIVA refund introduced for poor and vulnerable individuals. Online gambling, electric and hybrid vehicles and low-value shipments up to USD 200 would become taxable immediately.
Individual income tax	A new 9% bracket would begin at 720 TVU (COP 37,709,280), and the 39% top rate would apply from 8,670 TVU (COP 454,082,580). The 25% employment income exemption cap would fall to 630 TVU and the overall cap on deductions and exempt income to 1,180 TVU. The dependent deduction would be repealed.
Corporate income tax	The general rate would decrease to 33% in 2027 and 31% from 2028. Certain financial entities would remain subject to five additional percentage points through 2030. The 15% minimum tax would be limited to multinational groups with consolidated revenue of at least EUR 750 million.
Wealth tax	Temporary application for taxable years 2027 through 2030; threshold increased from 72,000 to 95,500 TVU (COP 5,001,717,000), with marginal rates of 0.5% and 1.0%.
Investment and regularization	The RUGE regime would provide 20% or 26% income tax rates, an 8% dividend tax and 16 years of stability. A 15% general tax regularization and a 5% digital-asset regularization would apply for 2027.
Procedure and relief	Stricter electronic invoicing and business-closure penalties, new digital-asset rules, and relief including penalties reduced to 40%, 5% annual interest, termination by mutual agreement and judicial settlement through June 30, 2027.

Parafiscal Contributions and Social Security Contributions

Amendment to section 114-1 of the Colombian Tax Code.

Section 20 of the Bill would rewrite the exemption from SENA and ICBF payroll contributions and the employer contribution to the contributory health scheme.

Beginning January 1, 2027, the full exemption for companies and other corporate income tax filers would remain only for employees earning up to 2 Minimum Wage – MG (COP 3,501,810). For employees earning more than 2 and up to 3 MG (COP 5,252,715), employers would pay a fraction of the contributions; no exemption would apply above 3 MG. The current exemption covers employees earning less than 10 MG, so the proposal would materially increase payroll costs for companies with employees earning more than two minimum wages.

Employee salary	SENA	ICBF	Employer health contribution
Up to 2 MG	Exempt	Exempt	Exempt
More than 2 and up to 3 MG	1%	1%	4%
More than 3 MG	2%	3%	8.5%

Individual employers would retain the exemption on the same terms. In addition, individuals employing between two and five workers would be exempt from all three contributions.

Consortiums, temporary joint ventures and autonomous estates would qualify when all their members are exempt.

Special tax regime entities that require qualification would remain liable; the exemption would remain for solidarity-sector entities under Section 19-4, taxpayers subject to the special rates in paragraphs 1 to 4 of Section 240 and paragraphs 1 and 2 of Section 240-1, and public higher-education institutions would remain exempt from SENA contributions.

Section 106 would repeal Section 243, which earmarks income-tax points for ICBF, SENA and the health system.

Health Contributions for Employees and Independent Workers (amendment to Section 204 of Law 100 of 1993).

Section 21 would retain the employer health contribution at 8.5% but replace the fixed 4% employee contribution with a progressive scale based on contribution income, effective January 1, 2027.

For independent workers, the total contribution would increase from 12.5% to a scale ranging from 12.5% to 15.5%.

Contribution income	Employee	Independent worker
1 MG	4%	12.5%
More than 1 and up to 2 MG	4%	12.5%
More than 2 and up to 4 MG	5.5%	13%
More than 4 and up to 5 MG	6%	13.5%
More than 5 and up to 10 MG	6.5%	14%
More than 10 and up to 15 MG	7%	14.5%
More than 15 and up to 20 MG	7.5%	15%
More than 20 and up to 25 MG	8%	15.5%

Complementary health-financing measures would allocate one of the four percentage points of family compensation fund contributions to ADRES, permit unused FOSFEC balances to be used for five years to settle health-sector liabilities, and transfer FOSFEC surpluses available at December 31, 2026 to health insurance funding.

Excise Taxes on Cigarettes and Beer

Wines, aperitifs and similar products.

Section 27 would apply the general 19% VAT rate to products subject to the excise tax on wines, aperitifs and similar products, replacing the 5% rate. All proceeds would be assigned to the departments for health insurance funding. Section 28 would set the specific component at COP 750 per degree of alcohol per 750 cc unit and the ad valorem component at 35%, indexed annually from 2028 by CPI plus four percentage points.

Item	Current rate	Proposed rate
Specific component - spirits and aperitifs	COP 360 per alcohol degree per 750 cc	COP 750 per alcohol degree per 750 cc
Specific component - wines and wine aperitifs	COP 243 per alcohol degree per 750 cc	COP 750 per alcohol degree per 750 cc
Ad valorem - spirits and aperitifs	25% of certified pre-tax retail price	35% of certified pre-tax retail price
Ad valorem - wines and wine aperitifs	20% of certified pre-tax retail price	35% of certified pre-tax retail price
Annual adjustment	CPI	From 2028, CPI plus 4 percentage points
VAT	5%	19%

Cigarettes, manufactured tobacco, derivatives, substitutes and imitations.

Sections 29 to 32 would expressly include heated tobacco products, electronic nicotine delivery systems, similar non-nicotine systems and vaping products. The specific component for cigarettes would rise by approximately 76% in 2027 and by more than 150% from 2028, while vaping products and similar derivatives would become subject to the excise tax.

Product	Current treatment	Proposed specific component	Proposed ad valorem component
Cigarettes, cigars, cigarillos and heated tobacco	COP 4,446 per pack of 20 plus 10%; heated tobacco not expressly taxed	COP 7,823 per pack in 2027; COP 11,200 from 2028	10% of retail price
Cut tobacco, snuff and chimú	COP 354 per gram plus 10% of specific tax	COP 891 per gram	10% of specific tax
Derivatives, substitutes and imitations, including vaping products	Not currently subject to this excise tax	COP 1,000 per ml in 2027; COP 2,000 from 2028	30% of retail price

Rates would be adjusted annually from January 1, 2029 by CPI plus four percentage points. Additional revenue would fund health insurance and be transferred monthly to ADRES.

Tax on production of beer, shandy and fermented-beverage mixtures.

Sections 33 to 36 would rename and restructure the tax, include non-alcoholic beer, and establish two components: COP 330 per alcohol degree per 330 cc unit, not applicable to non-alcoholic beer, plus 10% of the certified retail price excluding the tax and VAT. The specific component would be indexed from 2028 by CPI plus four percentage points. Exports would not be taxed.

Value Added Tax (VAT)

EfectIVA Refund.

Beginning January 1, 2028, Section 38 would create an individual cash refund of VAT paid by individuals in extreme poverty, poverty or economic vulnerability, replacing the existing VAT compensation program.

The refund would equal 100% of VAT actually paid for extreme poverty, poverty and the first vulnerability bracket, and 50%, 40% or 30% for the other vulnerability brackets, subject to a monthly cap of 5.5 TVU (COP 288,057) per beneficiary.

DIAN would determine VAT paid from the electronic invoicing system and Social Prosperity would calculate and pay the refund in operational cycles covering periods of no more than 15 calendar days.

The amounts would not constitute income or capital gains, would not be subject to withholding, would be immune from attachment and related transfers would be exempt from the financial transactions tax.

An advance payment is contemplated by December 20, 2027, preceded by a pilot program.

Online games of chance and gambling.

The exclusion for games operated exclusively online would be removed.
VAT would also arise when the bettor has tax residence, domicile, a permanent establishment or place of business in Colombia, and the operator would be liable even if operating from abroad.

The taxable base for online games would be the user deposit in money or cryptoassets.
Presumptive monthly bases for localized games would double to 40 TVU per slot machine, 580 TVU per gaming table, 20 TVU per machine in premises whose main activity is different, 6 TVU per bingo seat and 20 TVU for other localized games.

Lotteries would remain excluded.

New list of VAT-excluded goods from January 1, 2028.

Goods remaining excluded included:

- Tuna.
- Dried or salted fish.
- Potatoes.
- Pod vegetables.
- Cassava and similar tubers.
- Rice.
- Panela.
- Bienestarina.
- Bread and arepas.
- Unsweetened water.
- Coal and coke.
- Natural and propane gas.
- Electricity
- Gauze and bandages.
- Condoms.
- Rough wood.
- Bricks.
- Coins.
- Wheelchairs.
- Lenses.
- Dialysis and infusion equipment.
- Orthopedic articles.
- Pencils.

Other exclusions retained include:

- Sales of real estate.
- Vaccine raw materials.
- Enteral nutrition.
- Female contraceptives.
- Donations to food banks.
- Cultural-interest objects acquired by museums.
- Qualifying goods for Guainía, Vaupés and Vichada.
- Aviation fuel for certain routes.
- Products covered by the Peru-Brazil agreement in Amazonas.

A new exclusion:

- Would apply to producer income from the sale of diesel fuel (ACPM).

Goods moving from excluded to the general 19% rate would include:

- Live animals.
- Most fresh fruit and vegetables.
- Cereals other than rice.
- Seeds.
- Unroasted coffee.
- Cocoa beans.
- Salt.
- Fertilizers and pesticides.
- Agricultural machinery and tires.
- Low-value computers and mobile devices.
- Low-value electric bicycles and scooters.
- Public passenger transport vehicles.

Medicines, vitamins, antibiotics and sanitary pads would move from excluded to zero-rated, allowing producers to recover input VAT.

New list of zero-rated goods from January 1, 2028

- Meat.
- Edible offal.
- Fresh and frozen fish.
- Milk.
- Eggs.
- Infant formula and infant preparations would remain zero-rated with a right to refund.

And it adds the following as exemptions:

- Human-consumption rice.
- Salchichón, butifarra and mortadella.
- Vitamins.
- Antibiotics.
- Medicines under tariff headings 30.01 to 30.06.
- Sanitary pads.
- Biofuel blended with ACPM.
- Weapons and military materiel.
- Qualifying bicycles, motorcycles and three-wheeled motor vehicles for Amazonas, Guainía, Guaviare, Vaupés and Vichada.

Under the current Article 477, the following, among others, would no longer be exempt:

- Live bovine animals.
- Day-old chicks.
- Farmed shrimp.

- Certain fresh cheeses and whey.
- Fuel alcohol blended with gasoline would cease to be zero-rated.

Producers would retain the bimonthly VAT refund regime.

VAT-excluded services from January 1, 2028.

The following, among others, remain excluded:

- Human health services.
- Mandatory health plans and social-security services.
- Education.
- Public passenger and freight transport.
- Household utilities.
- Residential leases.
- Interest and leasing.
- Funeral services.
- Certain fund and card administration fees.
- Foreign-exchange transactions.
- Reinsurance brokerage.
- Hotels in special customs zones.

The following are now classified as exempt (they are currently taxed at 5%):

- Supplementary health plans.
- Health-insurance policies and other additional plans.

The following, among others, are removed from the list of excluded individuals:

- Residential internet for socioeconomic stratum 3.
- Sports-promotion services.

The following exclusions are hereby repealed effective immediately:

- Digital-content software licenses.
- Hosting and cloud computing.

Elimination of the 5% rate and other VAT repeals

From January 1, 2028, Sections 468-1 and 468-3 would be repealed. Unless moved to the excluded or zero-rated lists:

- Roasted coffee.
- Sugar.
- Chocolate.
- Pasta.
- Oils.
- Flour.
- Other industrial consumer-basket goods.
- Agricultural storage services.
- Agricultural insurance.
- Certain security, cleaning and temporary services would move to the general rate.

Upon the enactment of this law, the following are repealed:

- Upon enactment, the 5% rate for electric and hybrid vehicles and related equipment.
- The VAT non-accrual for qualifying postal and express shipments up to USD 200.
- The zero rating for tourism services sold to nonresidents.
- The exemption for residential internet in strata 1 and 2 would be repealed.

Fuels

From 2028, retailers would be liable for VAT on regular motor gasoline, based on producer income plus wholesale and retail margins. ACPM would be excluded both at producer level and on retail sale. Gasoline would move from 5% on producer income to the general rate.

Tax on Sweetened Ultra-Processed Beverages

From January 1, 2028, the current tax on sugar-sweetened ultra-processed beverages would be replaced by a tax covering beverages sweetened with sugar or non-sugar sweeteners.

It would apply to beverages with alcohol content not exceeding 0.5%, including soft drinks, malt-based drinks, ready-to-drink tea and coffee, fruit drinks, nectars, energy and sports drinks, flavored waters, powdered mixes, concentrates and syrups.

Exemptions for infant formula, medicines, nutritional therapy, foods for special medical purposes and electrolyte solutions would remain, as would the non-taxable status of individual producers with revenue below 10,000 TVU (COP 523,740,000).

Added sugar per 100 ml	Rate per 100 ml from 2028
Less than 9 grams, including beverages sweetened only with sweeteners	COP 45
9 grams or more, with or without sweeteners	COP 76

Rates would be adjusted from 2029 in line with the TVU increase.

The tax would arise on production, sale, withdrawal from inventory or importation; it would be deductible for income-tax purposes by the purchaser, would not generate creditable VAT and would have to be separately stated on the invoice.

Individual Income Tax

New rate schedule (Section 241 of the Colombian Tax Code).

Section 48 would lower the tax threshold from 1,090 TVU to 720 TVU through a new 9% marginal bracket and bring forward the 39% top rate to taxable bases above 8,670 TVU, eliminating the intermediate 35% and 37% brackets.

From (TVU)	To (TVU)	Marginal rate	Tax in TVU
0	720 (COP 37,709,280)	0%	0
Over 720	1,090 (COP 57,087,660)	9%	(Taxable income - 720) x 9%
Over 1,090	1,700 (COP 89,035,800)	19%	(Taxable income - 1,090) x 19% + 33
Over 1,700	4,100 (COP 214,733,400)	28%	(Taxable income - 1,700) x 28% + 149
Over 4,100	8,670 (COP 454,082,580)	33%	(Taxable income - 4,100) x 33% + 821
Over 8,670	Onward	39%	(Taxable income - 8,670) x 39% + 2,329

Exempt income and deductions.

- The 25% exemption for employment income would be capped at 630 TVU (COP 32,995,620) per year, compared with 790 TVU currently.
- The combined general-basket limit would remain 40% of net income, but the absolute annual cap would fall from 1,340 TVU to 1,180 TVU (COP 61,801,320).
- The deduction of 72 TVU per dependent, for up to four dependents, would be repealed.
- Exempt representation expenses for certain judges, prosecutors and public university rectors and professors would be repealed.
- Sections 38, 39, 40 and 40-1 on the inflationary component of financial returns would be repealed; Section 41 would limit the inflationary component of financial costs and expenses to individuals not required to keep accounting records.
- The capital-gains tax rate on lotteries, raffles, betting and similar prizes would rise from 20% to 30%.

Withholding tax on employment income (Section 383).

Withholding would begin at 65 TVU (COP 3,404,310) of monthly taxable employment income, compared with 95 TVU currently. A new 9% bracket would apply, and the 39% rate would begin at 640 TVU (COP 33,519,360).

From (TVU)	To (TVU)	Marginal rate	Withholding in TVU
0	65	0%	0
Over 65	95	9%	(Taxable employment income - 65) x 9%
Over 95	150	19%	(Income - 95) x 19% + 3
Over 150	360	28%	(Income - 150) x 28% + 13
Over 360	640	33%	(Income - 360) x 33% + 72

Over 640	Onward	39%	(Income - 640) x 39% + 164

Corporate Income Tax

The general corporate income tax rate would decrease from 35% to 33% for taxable year 2027 and to 31% from taxable year 2028. Financial institutions, insurers, securities brokers, commodity exchanges and securities-market infrastructure providers with taxable income of at least 120,000 TVU (COP 6,284,880,000) would pay five additional percentage points from 2027 through 2030, subject to a 100% advance payment.

Taxpayer	2027	2028-2030	From 2031
General rate	33%	31%	31%
Qualifying financial and insurance sector	38%	36%	31%

Minimum tax.

The 15% adjusted effective tax rate would cease to apply generally and would be limited to Colombian-resident parent entities and Colombian subsidiaries, branches and permanent establishments of multinational groups whose consolidated revenue in the prior year was at least EUR 750 million, in line with the OECD Pillar Two threshold.

The calculation methodology and specified exclusions would remain.

Wealth Tax

Sections 66 to 68 would convert the currently permanent wealth tax into a temporary tax for taxable years 2027 to 2030.

The taxable-event threshold would increase from 72,000 TVU to 95,500 TVU (COP 5,001,717,000) of net wealth held on January 1 of each year, and the maximum marginal rate would decrease to 1.0%.

From (TVU)	To (TVU)	Marginal rate	Tax
Over 0	95,500	0.0%	0
Over 95,500	145,500	0.5%	(Taxable base - 95,500) x 0.5%
Over 145,500	Onward	1.0%	(Taxable base - 145,500) x 1.0% + 250 TVU

Single Regime for Business Stability (RUGE)

Section 69 would add Book Nine to the Colombian Tax Code and create RUGE for new investments in depreciable or amortizable fixed assets that increase productive capacity, carried out through a special-purpose legal vehicle with no prior operating revenue.

Applications could be filed through December 31, 2029, or 2031 for public-private partnerships, with the Ministry of Commerce, Industry and Tourism. Trade, financial and insurance activities, real estate activities and public administration would be excluded.

Sector	New investment threshold	Implementation period
Infrastructure, energy and natural resources	8,140,000 TVU (COP 426,324,360,000)	8 years
Industry and digital economy	5,530,000 TVU (COP 289,628,220,000)	6 years
Agroindustry, tourism, services and other activities	2,580,000 TVU (COP 135,124,920,000)	5 years

Benefits during the 16-year stability period.

- A 20% income tax rate for projects beginning implementation in 2027 or 2028, and 26% for those beginning from 2029, without surcharges or additional points.
- Dividends distributed to nonresidents subject to a single 8% final withholding tax.
- Accelerated depreciation of up to 50% per year for machinery, equipment, networks and computer and telecommunications equipment, and up to 10% for buildings.
- The project vehicle would not be subject to wealth tax or other national wealth taxes; income-tax rates, foreign-exchange rights for foreign investment and customs procedural rules would be stabilized. VAT, local taxes, payroll contributions and royalties would not be stabilized.
- Temporary tariff treatment could be granted for capital goods not produced in Colombia.

As consideration, the vehicle would have to implement at least 40% of the committed investment within two years and 100% within the sector deadline, source at least 30% of its purchases from domestic suppliers, with one third allocated to MSMEs or regional suppliers, provide a guarantee equal to 2% of the committed investment, file annual reports and pay an annual premium equal to 0.1% of accumulated implemented investment.

Benefits would not be cumulative with free trade zones, ZOMAC, ZESE, specified exempt income or the incentives under Legislative Decree 1413 of 2026. Noncompliance could result in reduction or termination, repayment of benefits, late-payment interest and fines of up to 50%.

Tax Regularization and Digital Assets

Complementary tax regularization tax.

For taxable year 2027, a 15% regularization tax would apply to the tax basis or commercial self-assessed value of omitted assets and the value of nonexistent liabilities held on January 1, 2027.

The standalone return and payment would be due by June 30, 2027, without late filing or subsequent amendment. Regularization would not generate taxable income from net-worth comparison or specified penalties and would permit late registration of foreign investments without a foreign-exchange infringement.

Assets reported below market value could be stepped up; the tax would not be deductible or creditable.

Digital-asset regularization.

A one-time 5% regularization would apply for taxable year 2027 to omitted digital assets held on January 1, 2027, based on market value.

The return would be due June 30, 2027 and would disclose asset type, quantity, network, custodians, public wallet addresses and decentralized-protocol positions, but private keys could not be required. The declared value would become the tax basis from 2027.

General digital-asset rules.

New Section 21-2 would provide that income from disposal of digital assets is not Colombian-source income and the assets are not deemed held in Colombia, except where they represent rights over an underlying asset, in which case they follow the underlying asset.

Tax basis would be acquisition or development cost, using weighted average for fungible assets. Accounting fluctuations would have no tax effect until realization.

Disposals of digital assets representing rights over assets located in Colombia would be treated as indirect transfers.

Other Tax Measures

National carbon tax.

The rate would rise to 0.87 TVU (COP 45,565) per metric ton of CO2 equivalent in 2027, 1.23 TVU (COP 64,420) in 2028 and 1.59 TVU (COP 83,275) from 2029. Carbon-neutral certification relief would be limited to 25% of the tax, and 20% of revenue would be allocated to the National Comprehensive Program for Substitution of Illicit Crops, with creation of FONSUREC.

Fuel	Unit	2027 TVU	2028 TVU	2029 onward TVU
Coal	Metric ton	2.267	3.163	4.048
Fuel oil	Gallon	0.011	0.015	0.019
ACPM	Gallon	0.009	0.013	0.016
Jet fuel and kerosene	Gallon	0.009	0.012	0.016
Gasoline	Gallon	0.008	0.011	0.014
Liquefied petroleum gas	Gallon	0.006	0.008	0.010
Natural gas	Cubic meter	0.002	0.002	0.003

Tax-related repeals.

- The national tax on single-use plastic products would be repealed.
- The earmarking of the national excise tax on telephone and data services for sports and culture would be removed, without changing the rate.
- The name “Tourism Tax” would be standardized for the tourism levy.

Invoicing, Penalties and Procedure

- The penalty for issuing invoices that fail to meet requirements would rise from 1% to 5% of transactions, capped at 3,500 TVU instead of 950 TVU. For repeat offenses it would increase by two percentage points and lose the cap.

- A monetary penalty for failure to invoice would be reintroduced, equal to the greater of 5% of the prior month's net revenue and 5% of the median net revenue for the taxpayer's CIIU activity, increasing to 7% for repeat offenses.
- Business closure penalties would be reorganized. A taxpayer could avoid closure by paying 10% or 15% of the prior month's operating revenue. For online gaming operators, closure would be replaced by blocking access to their websites.
- Obligations and infringements of electronic invoicing technology providers would be redefined, and the Fiscal Prize would be redesigned as cash drawings for identified purchasers on electronic invoices.
- DIAN would be authorized to monetize, securitize or assign difficult-to-collect tax, customs and foreign-exchange receivables and to define case-selection and prioritization policies by resolution.
- Criminal liability for omission by withholding or collection agents would apply only where the individual amount is at least 159 TVU (COP 8,327,466).
- A special settlement and conciliation mechanism would be created for customs disputes exceeding 2,000,000 TVU concerning imports of liquid fuels and arising from changes in DIAN's official interpretation, with 4.5% annual interest, settlement of 85% of penalties and payment arrangements of up to ten years.

Tax Relief

Sections 99 to 104 would establish temporary relief for tax, customs and foreign-exchange liabilities administered by DIAN, including liabilities of Large Taxpayers.

In all cases the late-payment interest rate would be 5% per year, the application deadline would be June 30, 2027, and covered liabilities would be those in arrears or due by September 30, 2026.

Benefits could not be combined for the same penalty or interest or with those under Legislative Decree 1419 of 2026.

Mechanism	Main conditions
Abbreviated payment arrangement	Up to 12 months without collateral for liabilities overdue at September 30, 2026, with an initial payment of at least 10% of the reduced amount.
Reduction of penalties and interest	Payment of 100% of principal, 5% annual interest and 40% of penalties and their adjustment.
Unfiled returns, amendments and formal obligations	Late-filing, amendment and specified customs or formal-obligation penalties reduced to 40%, with payment of tax and 5% annual interest; may cover transfer-pricing obligations.
Termination by mutual agreement	Settlement of 60% of penalties and adjustments for qualifying assessments and appeals notified before enactment, with payment of 100% of tax, 40% of the penalty and 5% interest. DIAN would decide by August 31, 2027.
Administrative litigation settlement	Settlement of 60% of penalties, adjustments and interest in qualifying nullity and reinstatement proceedings filed and admitted by September 30,

	2026, subject to payment of 100% of tax, 40% of penalties, 5% interest, the 2026 self-assessed liability and judicial approval.

Effective Date and Legislative Follow-Up

The Act would enter into force upon enactment, except for provisions with a special effective date.

Income tax, wealth tax and contribution changes are projected for 2027; for period taxes to apply from that year, the Act would need to be enacted before December 31, 2026, in accordance with Section 338 of the Colombian Constitution.

The VAT restructuring, EfectIVA refund and sweetened-beverage tax would begin January 1, 2028. VAT repeals affecting spirits, electric vehicles, low-value shipments, internet and tourism would apply immediately.

We recommend that companies quantify the payroll impact of the reduced contribution exemption, review the VAT chain for their products against the new lists, assess whether the proposed relief is preferable to the relief currently available under Legislative Decree 1419 of 2026, and analyze whether investment projects qualify for RUGE.

Forvis Mazars will monitor the legislative process and the committee reports submitted in order to issue updates to this Newsletter.

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