

# Tax and policies incentives

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## Tax System:

Each federated entity has the power to regulate and collect each tax.

The following are federal taxes: Import Tax (II), Export Tax (IE), Rural Property Tax (ITR), Financial Operations Tax (IOF), Income Tax and Income of Any Nature (IR – physical and legal person), and Tax on Industrialized Products (IPI). Also noteworthy are the Social Contribution for Social Security Financing (COFINS), the Social Contribution on Net Income (CSLL), the Social Integration Program (PIS), and other taxes, such as FGTS and other pension contributions.

The States are responsible for the Tax on Transactions Relating to the Circulation of Goods and on the Provision of Interstate and Inter-municipal Transport and Communication Services (ICMS), Tax on the Ownership of Motor Vehicles (IPVA) and Tax on the Causa Mortis Transmission and Donation (ITCMD).

These are municipal taxes: Tax on Services of Any Nature (ISS), Urban Property and Land Tax (IPTU) and tax on Transfer of Real Estate Between the Living (ITBI).

Source: [Invest & Export Brasil – Legal Guide for Foreign Investor in Brazil](#)

## State Taxes and Fees

Since 2015 Mato Grosso has joined the National Network for the Simplification of Registration and Legalization of Companies and Businesses – REDESIM, created by the (federal) Law No.

11.598, in December 3, 2007, in the treasury scope, especially with regard to registration data. For formalizing request for state registration or cadastral alteration, as well as suspension of state registration due to temporary paralysis, reactivation of suspended state registration, revalidation of revoked state registration or cancellation of state registration are governed by Ordinance SEFAZ MT 146 of 2015.

The companies that will not be able to join the SIM NETWORK can only and compulsorily make applications for registration, via electronic process e-Process, in order to obtain state registration, and these are: construction site, taxpayer located in another Federation unit, for purposes of accreditation as a tax substitute, agricultural and livestock producer facility, belonging to individual (s) and/or legal entity (ies) and legal persons exempt from promoting the registration of the respective acts of incorporation in the Board of Trade. To become a taxpayer of the State of Mato Grosso the company must have an accountant regularly registered at the CRC (Accounting Council), and must pay a State Services Tax – TSE, equivalent to 1 (one) UPF/MT, which in May 2021 is worth R\$195.00 reais.

The state tax pertinent to companies that are registered as taxpayers of Mato Grosso is the ICMS (Tax on the Circulation of Goods and Services on Interstate and Intercity Transport and Communication). And its legislation is the Regulation of ICMS/2014, upon which are outlined the factors generating tax incidence, its exemptions, rate differentials, tax base reductions, principal and secondary obligations, and all tax incentives for various economic activities. RICMS/2014 is pertinent to all companies based in Mato Grosso.

Source: Assistant Secretary of Management and Metropolitan Planning, Government of Mato Grosso

# Municipal Tax

The Tax Code of the Municipality of Cuiabá regulates the tax system of the Municipality of Cuiabá. The Complementary Law No. 043, of December 23, 1997, updated until December 2019, regulates all tax matters competent to individuals and legal entities of the Municipality, their relations with the Municipality in fiscal and tax matters, the competence and powers of the administrative authorities regarding the application of the Tax Legislation, the rights and obligations of taxpayers, immunities and exemptions.

The main municipal tax is the IPTU, as below

**Chart XI – Framework for Non-Residential Vertical Buildings**

<b>Vertical – Non-Residential</b>		
<b>Finishing Type</b>	<b>Standard Class</b>	<b>M<sup>2</sup> Value in R\$</b>
Luxury	A	3,798.77
Fine	B	3,280.76
High	C	2,590.07
Normal	D	2,072.06
Low	E	1,381.37
Popular	F	1,001.49

*Source: Cuiabá prefecture, 2021*

**Chart XII – Framework for Sheds, Rustic Sheds, Huts and Equivalent Buildings**

**Sheds, Rustic Sheds, Huts and Equivalent Buildings**

<b>Finishing Type</b>	<b>Standard Class</b>	<b>M<sup>2</sup> Value in R\$</b>
High	C	1,899.38
Normal	D	1,381.37
Low	E	828.82
Modest	G	379.88

*Source: Águas Cuiabá, 2021.*

## **Tax Benefits – Mato Grosso**

The Mato Grosso Industrial and Commercial Development Program (PRODEIC) was created by Law 7.958/2003, and regulated by Decree 1.432/03. Its objective is to contribute to the expansion, modernization and diversification of economic activities, stimulating investments, technological innovation of productive structures and the increase in state competitiveness, with emphasis on the generation of employment and income and the reduction of social and regional inequalities.

The list of companies that are benefited by the program is separated by:

- Partial Enjoyment – When the company is in its implementation phase, ICMS approval is granted to the acquisition of permanent assets, raw materials.
- Full Enjoyment – When the company made the investments, operations are underway and benefit from a reduction in the calculation base in its own internal operations, and/or presumed credit in interstate operations.
- Suspended – The suspension occurs in situations when the company cannot use the benefit, either upon request or by deliberation of the Business Development Council (CEDEM).

Source: [Transparency Portal](#)