



## COLOMBIAN TAXES FOR FOREIGNERS: COMPLETE GUIDE

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# Breaking down taxes in Colombia: **an easy guide for foreigners**

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When considering moving to Colombia, living in Colombia or even just visiting the country there are many aspects you want to keep in mind besides choosing the perfect city or maybe getting your Colombian resident visa. Just like in any other country, living the dream comes with some other important duties, one of those is: **paying your taxes.**

So, **the question is:** do you have to pay taxes as a foreigner in Colombia? How do you know for sure if you apply as a tax resident in Colombia? And if so, are you eligible to declare taxes in the country?

**Here we explain it plain and simple.**

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# Determining if you are a tax resident

First things first, to get familiar with the Colombian tax law you have to be sure if you are considered as a tax resident to the country.

**According to Colombian law, an individual is considered a tax resident if:**

- They have stayed in the country (continuously or not) for more than 183 days (taking into account entry and exit dates) within a period of 365 consecutive days. If the 183-day period covers two different calendar years, the individual would be considered a Colombian taxpayer for the second year.

Here, the days count even from the day you arrived in the country and the day you left, and important to say, it doesn't matter on which month you arrived, it will be counted on a period of exactly 365 days, even for different years.

- If they are related to the foreign service of the Colombian state.
- Or, if they are Colombian nationals, not only if they were actually born in the country but also because of their condition, this is, foreigners who now own a Colombian "cédula", or ID. For this particular category there's also some other conditions attached to it; first, when 50% or more of the individual's income comes from a national source, when 50% or more of their assets are administered in Colombia, when 50% or more of their assets are understood to be owned in Colombia, if they have not been yet able to prove that they reside at another country OR if their place of residency is considered as tax haven country to the Colombian law.

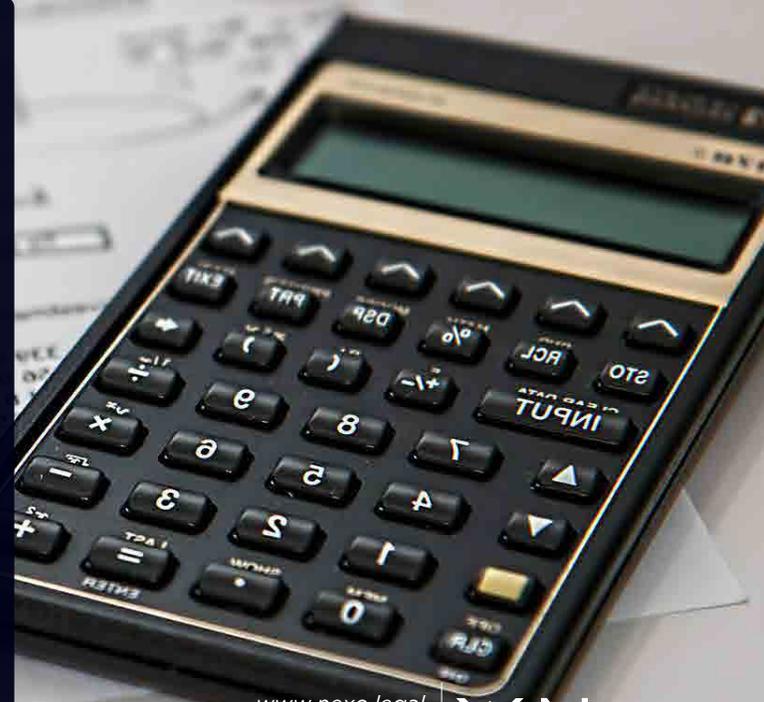
So for foreigners it is just enough to be considered as a tax resident the fact that you resided more than 183 days in the country, unless of course, you already are a foreigner who is considered as a national, belonging to that last previously explained category.

# So you are a tax resident, **what's next?**

Being a tax resident in Colombia does not automatically mean you are required to report your income.

Income tax is a tax that only applies to natural persons, employees or self-employed, who must pay it to the state based on their salary, earnings, commissions, and other income marked on the previous year. So, your tax return is basically the information that the DIAN (the Colombian Tax and Customs National Authority) requires you to submit in order to calculate your income tax obligation.

So the fact that you are required to report your income or not will finally depend on your income itself, not relying only on your tax residency, since you can be a tax resident but not required to declare your tax income. The income statement you present is based upon the economic transactions of your previous year, for example, your income statement of 2022 will be based on your movements of 2021.



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*“It is very important to note that not every tax resident is required to report income”*

## **Here are the reasons:**

*This being said, natural persons that are required to declare the 2022 income tax are those whose:*

**Gross equity at the end of the 2021 fiscal year** is equal to or greater than \$163'386.000 COP.

**Total value of purchases and consumption** is equal to or more than \$50'831.000 COP.

**Income of the taxable year** is either \$50'831.000 COP or equal to it.

**Total value of purchases and consumption** is equal to or more than \$50'831.000 COP.

**Credit card payments accounted for a total amount** of more than \$50'831,000 COP.

The income statement does not only serve a purpose to the DIAN, but it also points to areas of interest to you, as the taxpayer, such as how much money you earn (financial gain), what you possess (resources), how much you owe (debts), and how much you generally spend (consumption expenditures).

***“You must keep in mind that to present an income tax declaration doesn't necessarily mean that you have to pay tax Income in Colombia”.***

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# Income tax in Colombia: **Deadlines.**



For the income statement of natural persons in Colombia, **the first step is to take a look at the DIAN 2022 tax calendar.** It is between August 09/2021 and October 19/2022, that the natural person who meets the previously detailed criteria is required to file their tax return.

**The due date for the declaration and payment appears on the dates shown below, taking into account the preceding two numbers of the NIT corresponding to the RUT,** (your tax identification numbers). It is very important to do it before the established date and protect yourself against possible fines:

Last digits of your **NIT** and deadline to declare:

DIGITS	DEADLINE
01 and 02	August 09
03 and 04	August 10
05 and 06	August 11
07 and 08	August 12
09 and 10	August 16
11 and 12	August 17
13 and 14	August 18
15 and 16	August 19
17 and 18	August 22
19 and 20	August 23
21 and 22	August 24
23 and 24	August 25
25 and 26	August 26

DIGITS	DEADLINE
27 and 28	August 29
29 and 30	August 30
31 and 32	August 31
33 and 34	September 1
35 and 36	September 2
37 and 38	September 5
39 and 40	September 6
41 and 42	September 7
43 and 44	September 8
45 and 46	September 9
47 and 48	September 12
49 and 50	September 13
51 and 52	September 14

DIGITS	DEADLINE
53 and 54	September 15
55 and 56	September 16
57 and 58	September 19
59 and 60	September 20
61 and 62	September 21
63 and 64	September 22
65 and 66	September 23
67 and 68	September 26
69 and 70	September 27
71 and 72	September 28
73 and 74	September 29
75 and 76	September 30
77 and 78	October 3

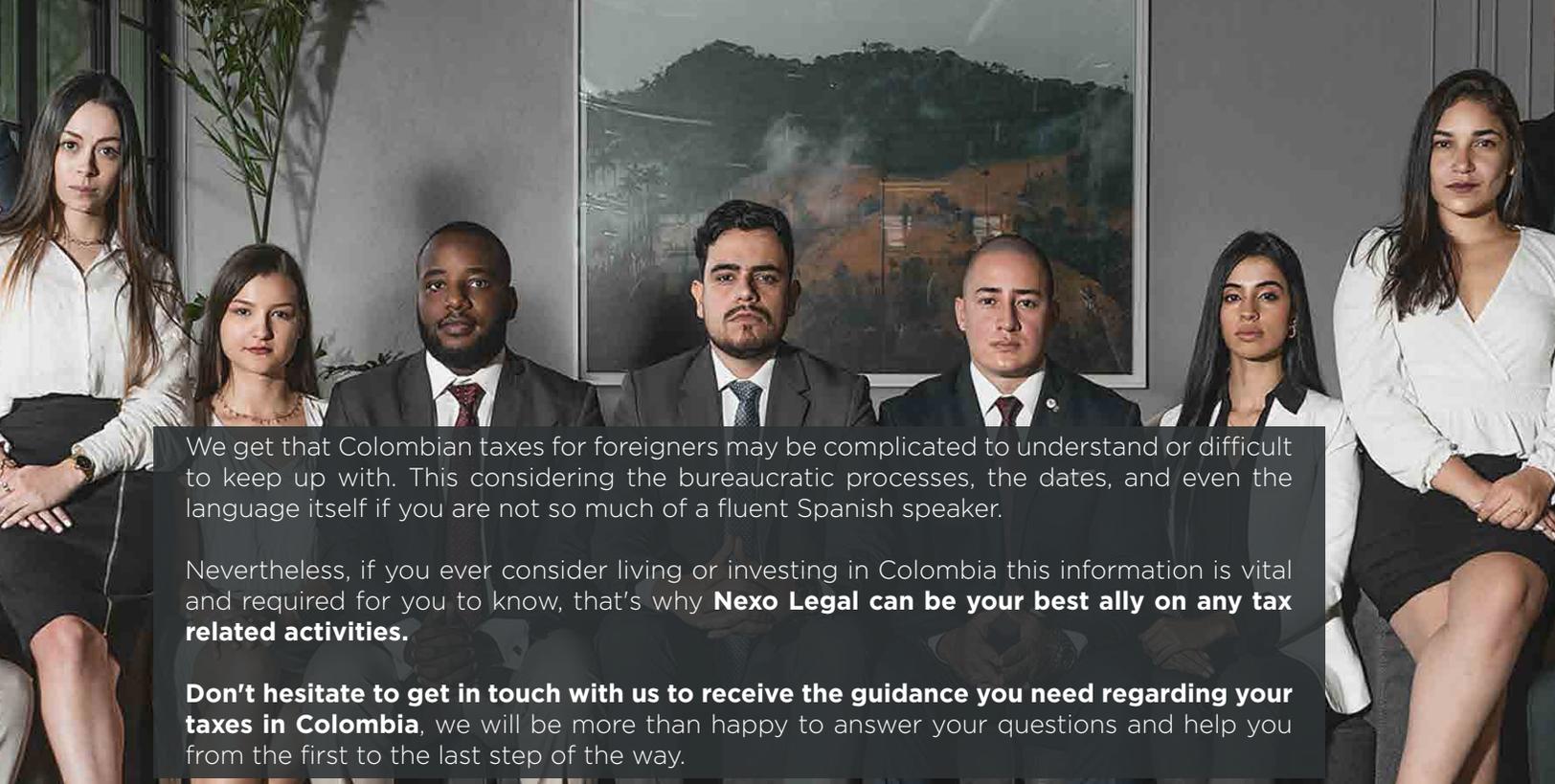
DIGITS	DEADLINE
79 and 80	October 4
81 and 82	October 5
83 and 84	October 6
85 and 86	October 7
87 and 88	October 10
89 and 90	October 11
91 and 92	October 12
93 and 94	October 13
95 and 96	October 14
97 and 98	October 18
99 and 00	October 19

# 2022

# What happens if I don't file my tax return or if I do it late?

Among the consequences of not declaring your tax income or declaring it outside the established calendar period dates, you may face some of the following:

- If you file your tax return after the payment deadline has passed, you will incur a late filing penalty equal to 5% of the amount owed. The penalty will increase by 5% for each month or fraction of a month that passes between the payment deadline and the date on which the tax return is submitted.
- The minimum fine to be paid to the DIAN is \$380.000 COP in 2022 for unfulfilled or poorly fulfilled obligations declared after the time due. The penalty is applied even if the income statement shows a negative value in the figure to be paid to the DIAN.
- A warning message will be sent to you, notifying you that you have as long as one year to make payments corresponding to the amount of the tax, if this payment is not registered by the end of the month, 10% will be added, as agreed on the article 642 of the established Colombian law.
- In case you don't file your corresponding income taxes at all, it would mean paying a 20% fine of the value of the bank deposits or gross income at the year you were supposed to declare, or 20% of the gross income that appears in the last income tax return filed, depending on which has the highest value.



We get that Colombian taxes for foreigners may be complicated to understand or difficult to keep up with. This considering the bureaucratic processes, the dates, and even the language itself if you are not so much of a fluent Spanish speaker.

Nevertheless, if you ever consider living or investing in Colombia this information is vital and required for you to know, that's why **Nexo Legal can be your best ally on any tax related activities.**

**Don't hesitate to get in touch with us to receive the guidance you need regarding your taxes in Colombia,** we will be more than happy to answer your questions and help you from the first to the last step of the way.

Easier if you have an expert  
**by your side**

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