

Colombia introduces tax changes under emergency legislation

Following the failed tax bill that Congress ultimately rejected, the Government of Colombia declared yet another Emergency Status to have the authority to temporarily introduce some tax changes. These were enacted as recently as 30/12/25 and will be effective throughout 2026.

Meanwhile, the Constitutional Court will soon examine if this extraordinary legislation is to be upheld or otherwise.

Some of the recently introduced rules are highlighted below:

1. VAT and consumption tax

- Online gambling to become taxed (currently subject to VAT temporarily through the end of 2025), including the obligation for non-resident operators to register for, collect and file, where applicable.
- The so-called “de minimis” exemption for low value shipments to be narrowed to USD50 value.
- During 2026, Liquors, Wines, Aperitifs, and Similar Products will be subject to VAT at a rate of 19% (today 5%).
- For 2026, the consumption tax on liquors, wines, aperitifs, and similar products will be increased as follows:
 - ✓ Specific Component: \$750 for each alcoholic degree in a 750 ml unit or its equivalent. (today \$342)
 - ✓ Ad Valorem Component: 30% on the retail sale price, before taxes and/or participation, as certified by DANE. (today 25%)
- For the taxable year 2026, the taxable event for Cigarettes and Processed Tobacco shall consist of the consumption of cigarettes, processed tobacco, derivatives, substitutes, or imitations

2. Surtax on the Financial Sector

- For 2026, the surtax for this sector increases from 5 to 15 additional percentage points above the general income tax rate, reaching a total of 50%. The 15 additional points are subject to a 100% advance payment.
- This advance payment shall be made in two equal installments.

3. Energy

- A tax on extraction at 1% to be imposed on the extraction for domestic sale or export of coal and oil. Applicable for oil & coal taxpayers with taxable income as of the end of the prior year at or over USD585,000.

PwC notes: This tax is currently imposed through the end of 2025 under certain extraordinary legislation.

- Deductibility of royalties on production of oil & gas is targeted to be disallowed unless certain circumstances are met.

PwC notes: Yet another attempt to raise taxation on the industry by restricting deductibility of a relevant cost.

4. Equity Tax

For 2026, the tax will apply to net worth equal to or greater than 40,000 UVT (2026: USD\$557.000). New progressive marginal rates are established from 0,5% to 5%. As follows:

Tax Unit Range		Marginal Rate	Tax
Over	Not over		
0 –	40,000	0%	0
>40,000 –	70,000	0.5%	(Taxable base in UVT - 40,000 UVT) × 0.5%
>70,000	120,000	1%	(Taxable base in UVT - 70,000 UVT) % + 150 UVT
>120,000	240,000	2%	(Taxable base in UVT - 120,000 UVT) × 2% + 650 UVT
>240,000	2,000,000	3%	(Taxable base in UVT - 240,000 UVT) × 3% + 3,050 UVT
>2,000,000	and above	5%	(Taxable base in UVT - 2,000,000 UVT) × 5% + 55,850 UVT

5. Tax Amnesty

- Penalties and interest to be reduced to 15% in most circumstances, as well as delay interest set at 4,5%, if 100% of any unpaid tax is remitted by 31/03/25 and, for certain cases, 30/04/25 (some other requirements may apply).
- Underreported assets or overreported liabilities as of 01/01/26 to be subject to a 19% complementary tax rate while at the same time not triggering any penalties or delay interest (tax due 31/07/26).

While this legislation will be examined by the Constitutional Court, each of the changes should be carefully considered to ensure an adequate understanding of the implications.

Find the text [here](#).

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