

## TITLE V

### HEALTH TAXES

**ARTICLE 54.** Add Title X to Book III of the Tax Statute, as follows:

## TITLE X

### HEALTH TAXES

#### CHAPTER I

#### TAX ON ULTRAPROCESSED SUGAR-SWEETENED BEVERAGES

**ARTICLE 513-1. EVENT GIVING RISE TO TAX ON ULTRAPROCESSED SUGAR-SWEETENED BEVERAGES.** The event that has given rise to the tax on ultraprocesed sugar-sweetened beverages consists of the following:

1. Production, sale, removal from inventory, or acts involving the transfer of title, whether gratuitously or for valuable consideration,
2. Imports

Based on their level of added sugar, ultraprocesed sugar-sweetened beverages shall be subject to this tax, as well as concentrates, powders, and syrups, which, after their mixture or dilution, make it possible to obtain sugar-sweetened beverages.

Ultraprocesed sugar-sweetened beverages are those liquid beverages whose level of alcohol by volume does not exceed zero point five percent (0.5%) vol, and into which any amount of sugar has been added.

This definition includes sodas or carbonated beverages, malt-based beverages, tea or coffee drinks, fruit-based beverages in any concentration, soft drinks, fruit juices and nectars, energy drinks, sports drinks, flavored waters, and powder blends.

Concentrates, powders, and syrups include flavor essences or extracts that allow obtaining flavored beverages, and products whether or not containing a sweetener or flavor additives, natural, artificial or synthetic, added or not, of juice, pulp or nectar, from fruits, vegetables, or legumes, and other food additives, as well as mixes based on flour, meal, malt extract, and starch.

Monosaccharides and/or disaccharides added during food processing or packaged as such, including those contained in syrups, and fruit or vegetable juice concentrates, are considered added sugars. Non-caloric sweeteners are not considered added sugar.

Products included in the following headings and sub-headings shall be subject to this tax to the extent that they contain added sugars and comply with the provisions of the above paragraphs:

<b>Product</b>	<b>Tariff heading or sub-heading</b>
Malt extract; food preparations of flour, groats, meal, starch or malt extract, not containing cocoa, or containing less than 40% by weight of cocoa, calculated on a totally defatted basis, not elsewhere specified or included; food preparations of goods of headings 0401 to 0404, not containing cocoa or containing less than 5% by weight of cocoa, calculated on a totally defatted basis, not elsewhere specified or included	19.01. (except 19.01. 90.20. 00. and 19.01.20.00. 00)
Fruit juices or other fruits (including grape must and coconut water) or vegetable juices, unfermented, and not containing added alcohol, whether or not containing added sugar or another sweetener	20.09
Mixes in extract powders, essences and concentrates of coffee, tea or mate, and preparations based on these products or based on coffee, tea or mate; roasted chicory and other roasted coffee substitutes, and extracts, essences and concentrates thereof	21.01
Water, including mineral water and carbonated water, containing added sugar or other sweetener or flavored, and other non-alcoholic beverages, excluding fruit or vegetable juices of heading 20.09, except for unflavored and unsweetened water	22.02.
Composite preparations containing an alcohol-by-volume level not exceeding or equal to zero point five percent (0.5%) vol, for the preparation of beverages	2106.90.21.00 and 2106.90.29.00

**PARAGRAPH 1.** The following sugar-sweetened beverages are exempt from the tax:

1. Infant formulas
2. Medication with added sugars
3. Liquid or powder products to be reconstituted, intended to provide nutritional therapy for people unable to digest, absorb and/or metabolize nutrients from food intake
4. Liquid foodstuffs and/or powders for special medical purposes
5. Electrolyte solutions for oral consumption, designed to prevent dehydration as a result of an illness

**PARAGRAPH 2.** For fiscal auditing and collection of this tax, and with a view to ensure consistency between the labeling and the added sugar content of beverages subject thereto, the *Unidad Administrativa Especial Dirección de Impuestos y Aduanas Nacionales - DIAN* (special Colombian tax authority division) must comply with the provisions of Resolutions 5109 of 2005 and 810 of 2021, issued by the Ministry of Health and Social Protection, or the regulation that amends, adds, or substitutes the same.

**PARAGRAPH 3.** Ultraprocessed sugar-sweetened beverages referred to in this Article shall not be subject to this tax whenever exported by the producer.

**PARAGRAPH 4.** Cancelled, rescinded, or resolved operations of goods taxed with the ultraprocessed sugar-sweetened beverages tax shall result in a lower payable value of the tax, without granting the right to refund.

**PARAGRAPH 5.** Donations by a producer or importer do not constitute a tax event on ultraprocessed sugar-sweetened beverages when they are made to food banks incorporated as not-for-profit organizations of the Special Tax Regime, or food banks that under the same legal status are owned by the church or religious affiliation recognized by the Ministry of the Interior or by the law. The treatment foreseen in this paragraph shall be applicable to food bank associations.

**ARTICLE 513-2. LIABILITY FOR ULTRAPROCESSED SUGAR-SWEETENED BEVERAGES TAX.** Liability for the ultraprocessed sugar-sweetened beverages tax shall fall upon the producer and/or importer, as applicable.

The producers (individuals) who during the preceding taxable year or the current year have obtained a gross income from activities subject to this tax of less than ten thousand (10,000) UVT shall not be liable for this tax. Whenever this amount is exceeded, they shall be subject to the ultraprocessed sugar-sweetened beverages tax, as of the following taxable period.

**PARAGRAPH.** For purposes of this Article, the definition of producer shall be that established in Article 440 of this Statute.

**ARTICLE 513-3. TAXABLE BASE OF THE ULTRAPROCESSED SUGAR-SWEETENED BEVERAGES TAX.** The taxable base of the ultraprocessed sugar-sweetened beverages tax is the sugar content in grams (g) per each one hundred milliliters (100 ml) of beverage, or its equivalent, produced by the manufacturer or imported by the importer.

In regards to imported goods, the import declaration must provide information on the sugar content in grams (g) per each one hundred milliliters (100 ml) of beverage, or its equivalent.

**PARAGRAPH 1.** The taxable base of concentrates, powders, mixes, and syrups corresponds to the sugar content in grams (g) per each one hundred milliliters (100 ml) of beverage, or its equivalent, certified on the package or container, which may be produced via the relevant mix or dilution.

**PARAGRAPH 2.** Parties liable for the ultraprocessed sugar-sweetened beverages tax must ensure accuracy of the volume of beverages making up the taxable base, whether liquid beverages, or concentrates, powders or syrups.

**ARTICLE 513-4. ULTRAPROCESSED SUGAR-SWEETENED BEVERAGES TAX RATE.** The ultraprocessed sugar-sweetened beverages tax rate is expressed in pesos per one hundred milliliters (100 ml) of beverage, and the unit value is based on the sugar content in grams (g) per each one hundred milliliters (100 ml) of beverage, as follows:

For years 2023 and 2024

Content in 100 ml	Rate (per each 100 ml)	
	2023	2024
Less than six grams (6 gr) of added sugars	\$ 0	\$ 0
Greater than or equal to six grams (6 gr), and less than ten grams (10 gr) of added sugars	\$ 18	\$ 28
Greater than or equal to ten grams (10 gr) of added sugars	\$ 35	\$ 55

For year 2025:

Content in 100 ml	Rate (per each 100 ml)
	2025
Less than five grams (5 gr) of added sugars	\$ 0
Greater than or equal to five grams (5 gr), and less than nine grams (9 gr) of added sugars	\$ 38
Greater than or equal to nine grams (9 gr) of added sugars	\$ 65

These rates are applied as follows to determine the tax amount applicable to each beverage:

$$IMP = \frac{Vol}{100} \cdot Tarifa$$

Where:

IMP: Tax amount applicable to the beverage, in pesos

Vol: Beverage volume, expressed in milliliters (ml)

Rate: Tax rate, as determined by the above table

**PARAGRAPH.** As of the year 2026, rate values established for year 2025 shall be adjusted on January 1<sup>st</sup> of each year, in the same percentage as the increase of the Tax Value Unit (UVT, for its acronym in Spanish). The *Unidad Administrativa Especial Dirección de Impuestos y Aduanas Nacionales -DIAN*, via an administrative act, shall issue the increase percentage of the Tax Value Unit -UVT- and the value of updated rates.

**ARTICLE 513-5. CAUSATION OF THE ULTRAPROCESSED SUGAR-SWEETENED BEVERAGES TAX.** The ultraprocessed sugar-sweetened beverages tax is caused as follows:

1. On the production, sale, removal of inventory, or transfer of title, whether gratuitously or for valuable consideration made by the producer, on the date of issue of the invoice or equivalent document and, in absence thereof, at the time of delivery or removal, even after agreeing on a retention of title, repurchase agreement, or resolutive condition.
2. On imports, upon nationalization of the goods. In this case, the tax shall be liquidated and paid at the time of liquidation and payment of customs duties.

**PARAGRAPH 1.** The ultraprocessed sugar-sweetened beverages tax referred to in this Chapter constitutes, for the buyer, a deductible cost in the income tax as highest value of the good, in the terms of Article 115 of this Statute.

**PARAGRAPH 2.** The ultraprocessed sugar-sweetened beverages tax does not give rise to deductible taxes in the sales tax -VAT (Value Added Tax).

**PARAGRAPH 3.** The ultraprocessed sugar-sweetened beverages tax must be broken down on the sales invoice, regardless of the breakdown of the sales tax -VAT therein.

**CHAPTER II**

**TAX ON INDUSTRIALLY ULTRAPROCESSED FOOD PRODUCTS, AND/OR WITH A HIGH CONTENT OF ADDED SUGARS, SODIUM, OR SATURATED FATS**

**ARTICLE 513-6. EVENT GIVING RISE TO TAX ON INDUSTRIALLY ULTRAPROCESSED FOOD PRODUCTS AND/OR WITH A HIGH CONTENT OF ADDED SUGARS, SODIUM, OR SATURATED FATS.** The event that gives rise to the tax on industrially ultraprocessed food products and/or with a high content of added sugars, sodium, or saturated fats consists of the following:

- 1. Production, sale, removal of inventory, or acts involving the transfer of title, whether gratuitously or for valuable consideration,
- 2. Imports

Ultraprocessed food products that contain sugars, salt/sodium and/or fats as an added ingredient, and whose content on the nutrition facts panel exceeds the following values, shall be subject to this tax.

<b>Nutrient</b>	<b>Per each 100 gr</b>
<i>Sodium</i>	<i>&gt; = 1 mg/kcal/ and/or &gt; = 300 mg/100 g</i>
<i>Sugars</i>	<i>&gt; = 10% of total calories from free sugars</i>
<i>Saturated fats</i>	<i>&gt; = 10% of total calories from saturated fats</i>

Paragraph 1 of this Article shall apply to calculate the percentages established in the table.

Ultraprocessed products are industrial formulations manufactured from substances derived from foods or synthesized from other organic sources. Some substances used to manufacture ultraprocessed products, such as fats, oils, starches, and sugar, are derived directly from foods. Others are obtained via additional processing of certain food constituents, such as oil hydrogenation (which generates toxic trans fats), protein hydrolysis, and starch “purification.” Most of the ingredients of the majority of ultraprocessed products are

additives (binders, gelling agents, artificial coloring, sweeteners, emulsifiers, thickeners, foaming agents, stabilizers, taste “enhancers,” such as aromatics and flavoring agents, preservatives, flavors, and solvents).

Ultraprocessed products are mainly industrial formulations with a base of substances extracted or derived from foods, in addition to additives and cosmetics that provide color, flavor, and texture trying to mimic foods. They have high content of added sugars, total fat, saturated fats, and sodium, and a low content of protein, dietary fiber, minerals and vitamins, as compared with unprocessed or minimally processed products, dishes, and foods.

Ultraprocessed products with added salt/sodium shall be defined as those whose manufacture process uses any salt or additive containing sodium or any ingredient containing added sodium salts as an ingredient or additive.

Ultraprocessed products with added fats shall be defined as those whose manufacture process uses, as an ingredient, any vegetable or animal fat, partially hydrogenated vegetable oils (vegetable shortening, vegetable cream, or margarine), and ingredients containing added amounts thereof.

Monosaccharides and/or disaccharides shall be defined as added sugars, added during food processing or packaged as such, and including those contained in syrups, in fruit and vegetable juice concentrates.

Processed and/or ultraprocessed food products with added sugars shall be defined as those to which sugars were added during their manufacture process, as per the definition of the above paragraph.

Therefore, products of the following headings and sub-headings shall be subject to this tax to the extent that they contain sodium, sugars, or saturated fats, and upon compliance with the provisions of the above paragraphs:

<b>Product</b>	<b>Headings</b>
<i>Products consisting of natural milk constituents, even including added sugar or another sweetener, not elsewhere specified or included; except for “arequipe” and/or dulce de leche</i>	16.01
<i>Cold cuts and similar products of meat, meat offal, blood, or insects; foodstuffs with a base of these products, excepting salami-like sausage, mortadella and “butifarra”</i>	16.01
<i>Other meat preparations and preserved meat, meat offal, blood, or insects</i>	16.02
<i>Confectionery items that do not contain cocoa (including white chocolate)</i>	17.04
<i>Chocolate and other food preparations containing cocoa</i>	18.06
<i>Mixes and doughs for the preparation of bakery goods, of heading 19.05</i>	19.01.20.00.00

<i>Cereal-based products obtained by the puffing or roasting of cereals (e.g.: corn flakes or puffs); cereals (other than corn) in grain form or in the form of flakes or other processed grains (except flour, groats, and meal), pre-cooked or otherwise prepared, not elsewhere specified or included</i>	19.04
<i>Breads, pastries, cakes, biscuits or cookies, even with added cocoa; communion wafers, empty cachets of the type used for medicine, sealing wafers, doughs made with dry flour, rice, or cornstarch, in sheets, and similar products. Except bread and wafers</i>	19.05
<i>Other vegetables prepared or preserved (except vinegar or acetic acid), not frozen, other than products of heading 20.06</i>	20.05
<i>Vegetables, fruits or other nuts or the peels thereof and other parts of plants, preserved in sugar (drained, glazed, or crystallized)</i>	20.06.00.00
<i>Jams, fruit jellies, marmalades, fruit or nut puree and fruit or nut pastes, obtained by cooking, whether or not containing added sugar or other sweetening matter, except guava paste ("bocadillo de guayaba")</i>	20.07
<i>Fruits, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included</i>	20.08
<i>Sauces and preparations therefor; mixed condiments and mixed seasonings; mustard flour and prepared mustard</i>	21.03
<i>Ice creams, whether or not containing cocoa</i>	21.05
<i>Food preparations not elsewhere specified or included</i>	21.06 excluding (21.06.90.21.00 and 21.06.90.29.00)

**PARAGRAPH 1.** In calculating the percentages established in the table mentioned in the second paragraph of this Article, you must consider the following:

**a) Sodium:** take any amount of food, for example, one hundred grams (100 g) or the serving, and divide the sodium content reported by the number of kcal reported in the same amount; if this ratio is higher than one (1), it shall be subject to the tax. On the other hand, the content of sodium in one hundred grams (100 g) must be calculated, and if it exceeds three hundred milligrams (300 mg), it shall be subject to the tax. Meeting one of these two conditions suffices to be subject to the tax.

**b) Sugars:** added sugars must be identified as per the definition in paragraph 2 of this Article. Once identified in any amount of food, the amount of added sugars in grams must be multiplied by the sugar conversion factor (4 kcal/g). This result is divided by the total kcal of the same amount of food, and is multiplied by one hundred (100). Lastly, the result is compared with the percentage established in the table, and if it is equal to or more than ten percent (10%), it shall be subject to the tax.



**c) Saturated fats:** the amount of saturated fats in grams must be multiplied by the fat conversion factor (9 kcal/g) in any amount of food. This result is divided by the total kcal of the same amount of food and is multiplied by one hundred (100). Lastly, the result is compared with the percentage established in the table, and if it is equal to or greater than ten percent (10%), it shall be subject to the tax.

Regarding imported goods, the provisions set forth in this paragraph must be notified in the import declaration.

**PARAGRAPH 2.** The industrially ultraprocesed food products and/or with a high content of added sugars, sodium, or saturated fats referred to in this Article shall not be subject to this tax whenever exported by the producer.

**PARAGRAPH 3.** Cancelled, rescinded, or resolved operations of goods subject to the tax on industrially ultraprocesed food products and/or with a high content of added sugars, sodium, or saturated fats shall give rise to a lower payable value of the tax, without granting the right to refund.

**PARAGRAPH 4.** Donations made by the producer or importer are not considered a taxable event of the tax on industrially ultraprocesed food products and/or with a high content of added sugars, sodium, or saturated fats whenever made to food banks incorporated as not-for-profit organizations of the Special Tax Regime or food banks, which, under the same legal status, are owned by the church or religious affiliation recognized by the Ministry of the Interior or by the law. The treatment foreseen in this paragraph shall also be applicable to food bank associations.

**ARTICLE 513-7. LIABILITY FOR THE TAX ON INDUSTRIALLY ULTRAPROCESSED FOOD PRODUCTS AND/OR WITH A HIGH CONTENT OF ADDED SUGARS, SODIUM, OR SATURATED FATS.** Liability for the tax on industrially ultraprocesed food products and/or with a high content of added sugars, sodium, or saturated fats shall fall upon the producer and/or importer, as applicable.

The producers (individuals) who, during the preceding taxable year or the current year, have obtained a gross income from activities subject to this tax of less than ten thousand (10,000) UVT shall not be liable for this tax. Whenever this amount is exceeded, they shall be subject to the tax on industrially ultraprocesed food products and/or with a high content of added sugars, sodium, or saturated fats, as of the following taxable period.

**PARAGRAPH.** For purposes of this Article, the definition of producer shall be established in Article 440 of this Statute.

**ARTICLE 513-8. TAXABLE BASE OF THE TAX ON INDUSTRIALLY ULTRAPROCESSED FOOD PRODUCTS AND/OR WITH A HIGH CONTENT OF ADDED SUGARS, SODIUM, OR SATURATED FATS.** The taxable base of the tax is

made up of the sales price. In the case of donations or removal from inventory, the taxable base is the commercial value, in accordance with provisions of Article 90 of the Tax Statute.

In the case of imported goods, the taxable base on which the tax is imposed on industrially ultraprocessed food products and/or with a high content of added sugars, sodium, or saturated fats, shall be the same considered to determine customs duties, added to the value of this levy.

As regards finished products produced in free trade zones, the taxable base shall be the value of all production costs and expenses, in accordance with the integration certificate, plus the value of customs duties. Whenever the importer is the buyer or customer in the national customs territory, the taxable base shall be the invoice value plus customs duties.

**ARTICLE 513-9. RATE OF THE TAX ON INDUSTRIALLY ULTRAPROCESSED FOOD PRODUCTS AND/OR WITH A HIGH CONTENT OF ADDED SUGARS, SODIUM AND/OR SATURATED FATS.** The tax rate shall be ten percent (10%) in year 2023, fifteen percent (15%) in year 2024, and twenty percent (20%) as of year 2025.

**ARTICLE 513-10. CAUSATION OF THE TAX ON INDUSTRIALLY ULTRAPROCESSED FOOD PRODUCTS AND/OR WITH A HIGH CONTENT OF ADDED SUGARS, SODIUM, OR SATURATED FATS.** The tax on industrially ultraprocessed food products and/or with a high content of added sugars, sodium, or saturated fats is caused as follows:

1. On the production, sale, removal from inventory OR transfer of title, whether gratuitously or for valuable consideration, carried out by the producer, on the date of issue of the invoice or equivalent document and, in absence thereof, at the time of delivery or removal, even after agreeing on a retention of title, repurchase agreement, or resolatory condition.
2. On imports, upon nationalization of the goods. In this case, the tax shall be liquidated and paid at the time of liquidation and payment of customs duties.

**PARAGRAPH.** The tax on industrially ultraprocessed food products and/or with a high content of added sugars, sodium, or saturated fats referred to in this Chapter constitutes for the buyer a deductible cost on the tax return as higher value of the good, in the terms of Article 115 of this Statute.

**PARAGRAPH 2.** The tax on industrially ultraprocessed food products and/or with a high content of added sugars, sodium, OR saturated fats does not generate deductible taxes on the sales tax -VAT (Value Added Tax).

**PARAGRAPH 3.** The tax on industrially ultraprocessed food products and/or with a high content of added sugars, sodium, or saturated fats must be broken down on the sales invoice, regardless of the breakdown of the sales tax -VAT therein.

## CHAPTER III

### RULES APPLICABLE TO ALL

**ARTICLE 513-11. TAX COLLECTOR.** The *Unidad Administrativa Especial Dirección de Impuestos y Aduanas Nacionales -DIAN* is responsible for the collection and management of taxes foreseen in this Title, for which it shall have the powers set forth in the Tax Statute or in the Customs Statute for the investigation, determination, control, discussion, refunding, and collection of these taxes, and the fines applicable thereto are those contemplated in said statutes vis-à-vis the detection of inconsistencies in the correct manner and opportunity in the filing and payment of taxes and customs duties. Likewise, the procedure set forth in the Tax Statute or Customs Statute shall be applicable.

**ARTICLE 513-12. TAXABLE PERIOD.** The taxable period for taxes foreseen in this Title shall be bimonthly. The bimonthly periods are: January-February, March-April, May-June, July-August, September-October, November-December. As regards imports, the tax shall be liquidated and paid jointly with the liquidation and payment of customs duties.

**ARTICLE 513-13. TAX FILING AND PAYMENT.** The terms to file the return and payment of taxes foreseen under this Title shall be those established by the national government. The content and expiration of the form shall be determined by the *Unidad Administrativa Especial Dirección de Impuestos y Aduanas Nacionales -DIAN*.

The tax filing foreseen in this Title shall not apply during the periods in which operations subject to said taxes have not been carried out.

**ARTICLE 55.** Paragraph 13 is hereby added to Article 643 of the Tax Statute, as follows:

13. In the event that the omission refers to the tax filing foreseen in Title X of Book III of the Tax Statute, at twenty percent (20%) of the tax value that should have been paid or at ten percent (10%) of the gross income that appears on the last declaration of said tax.

#### (Tax Effectiveness)

**ARTICLE 96. EFFECTIVENESS AND ANNULMENTS.** This law is effective as of the enactment thereof, and revokes Article 36-3, Articles 57, 57-1, Article 126, the transitional paragraph of Article 143-1, Article 158-1, paragraphs 3, 4 and 5 of Article 207-2, paragraphs 1, 2, subparagraphs c) and d) of paragraphs 4, 5 and 6 of Article 235-2, Article 235-3, Article 235-4, Article 257-2, Article 306-1, Article 616-5, paragraph 7 of Article 800-1 of the Tax Statute, Article 4 of Law 345 of 1996, Article 5 of Law 487 of 1998, Article 97 of Law 633 of 2000, Article 365 of Law 1819 of 2016, Article 15 of Decree-Law 772 of 2020, Article 30 of Law 2133 of 2021; as well as Articles 37, 38 and 39 of Law 2155 of 2021, which shall be effective until January 1<sup>st</sup> of 2023.

Decree Law 560 and 772 of 2020 and the regulatory decrees thereof shall be extended until December 31<sup>st</sup> of 2023, with the exception of paragraph 3 of Article 5, Title 111 of Decree Law 560 of 2020, and Title 111 of Decree Law 772 of 2020.

The provisions of Article 2 of Law 2238 and Law 2240 of 2022, regarding the term to comply with the ZESE regime, shall be applicable until December 31<sup>st</sup> of 2024.

The benefit provided for in Article 40 of Law 2068 of 2020 shall be effective until December 31<sup>st</sup> of 2024.

The ultraprocessed sugar-sweetened beverages tax of Chapter 1 of “TITLE V HEALTH TAXES” shall become effective as of November 1<sup>st</sup> of 2023.

The tax on industrially ultraprocessed food products and/or with a high content of added sugars, sodium, or saturated fats of Chapter 11 of “TITLE V HEALTH TAXES” shall become effective as of November 1<sup>st</sup> of 2023.

Taxpayers who have fulfilled the conditions to access the differential rates and other tax benefits revoked or limited by means of this law, may be entitled to the relevant treatment throughout the entire term granted in the law under which the respective legal situations were consolidated, as applicable.