

Filing the annual tax return as an economic benefit for individuals for wages and salaries

Presentación de la declaración anual como beneficio económico de personas físicas por sueldos y salaries

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Abstract

This project was developed with the purpose of analyzing the tax situation of natural persons in the salary and wage system of the municipality of Valle de Bravo, with the objective of proposing strategies that generate an economic benefit derived from the management of personal deductions, analyzing the factors and problems that have led to the little or no presentation of the annual declaration.

The research was based on an exploratory and descriptive methodology which consisted of applying an information collection instrument to a population sample of natural persons in the salary and wage system of the Municipality, later the answers were analyzed to elaborate a guide that allows a correct presentation of the annual declaration, as well as their processes to be candidates for a tax refund.

The sample to which the information instrument was applied according to the statistical formula resulted in 380 employees, where 76.9% representing 292 people stated that they had not submitted the annual declaration on any occasion, as complementary data only 28% have if Electronic signature.

Declaration, Deductions, Individuals, Salaries and Strategies

Resumen

El presente proyecto se desarrolló con la finalidad de analizar la situación tributaria de las personas físicas en el régimen de sueldos y salarios del municipio de Valle de Bravo, con el objetivo de plantear estrategias que generen un beneficio económico derivado de un manejo de deducciones personales, analizando los factores y problemáticas que han llevado a la poca o nula presentación de la declaración anual.

La investigación se basó en una metodología exploratoria y descriptiva la cual consistió en aplicar un instrumento de recaudación de información a una muestra poblacional de personas físicas en el régimen de sueldos y salarios del Municipio, posteriormente se analizaron las respuestas para elaborar una guía que permita una correcta presentación de la declaración anual, así como sus procesos para ser candidatos a una devolución de impuestos.

La muestra a la cual se aplicó el instrumento de información, según la formula estadística resultó de 380 asalariados, donde el 76.9% que representa a 292 personas manifestaron no haber presentado en ninguna ocasión la declaración anual, como dato complementario solo el 28% cuenta con su firma electrónica.

Declaración, Deducciones, Individuales, Salarios y Estrategias

Introduction

When talking about the Income Tax we must go back to 1921 for our country, the first name that this tax received was the Centennial Tax published on July 20, 1921 as a decree enacted as a federal law, this tax was extraordinary and payable only once, this law was not intended to be of a permanent nature (Economía-UNAM, 2021).

Currently, the current regulations for this procedure are found in the Income Tax Law of date, in Chapter V dedicated to individuals in Article 90, which states "Individuals residing in Mexico must inform the tax authorities, through the means and formats indicated for such purpose by the Tax Administration Service through general rules, regarding the amounts received for the concepts indicated in the previous paragraph at the time of filing the annual tax return of the fiscal year in which they are obtained" (Cámara de Diputados, 2023).

The Tax Administration Service is the authority in charge of collecting taxes and customs duties provided by law, providing tools to taxpayers to enable them to comply with their tax obligations, being a decentralized body of the Ministry of Finance and Public Credit. When talking about collection, it is important to define a taxpayer as an individual or legal entity obliged to pay taxes in accordance with the tax laws in force (Servicio de Administración Tributaria, 2021).

The objective of the project was that the taxpayer knows the obligations, rights and tax benefits that can be obtained during a fiscal year, promoting the accounting culture in the Municipality of Valle de Bravo. With the information obtained, an analysis was made, explaining and establishing examples that allow a better understanding of taxation.

The high income tax withholdings in Mexico for individuals in the wages and salaries regime in comparison with other countries reflect a high difference, added to this the little fiscal culture in the Municipality due to the lack of knowledge of the fiscal benefits granted by the law causes the lack of filing of the annual tax return (Expansión, 2023).

The informality and bad habits of businesses that apply for personal deductions (doctors, psychologists, dentists, private schools, etc.) are a factor that hinder the annual tax return, part of this behavior is caused by taxpayers who do not request their invoice. Finally, a program of tax strategies was obtained to allow workers under the wages and salaries regime to recover part of the tax withheld in a fiscal year through the filing of the annual tax return.

Theoretical Development

Program

Planning that is developed around a project or an initiative, it is a method that details actions to be carried out and defines the steps to be followed (Porto & Gardey, 2022).

Culture

Understood as the set of values, beliefs and attitudes that a certain number of people have in common and that shape the way they perceive, think and act (Instituto Mexicano de Contadores Públicos).

If culture is the set of values, beliefs and attitudes of a given social group, tax culture is the same, but with respect to taxation and the observance of the laws that govern the conduct manifested in the permanent fulfillment of tax duties based on reason, trust, affirmation of the values of personal ethics, respect for the law, civic responsibility and social solidarity (Medina, 2013).

Natural person

It is an individual who performs any economic activity (seller, merchant, employee, professional, etc.), who has rights and obligations. The regimes for Individuals are classified according to their activities and income and are:

- Wages and salaries and income assimilated to salaries.
- Business and professional activities
- Tax Incorporation Regime
- Sale of goods
- Business activities with income through technological platforms.
- Leasing regime
- Interests
- Obtaining prizes
- Dividends
- Other income (Servicio de Administración Tributaria, 2023).

Personal Deductions

These are the expenses that, as a taxpayer, you are entitled to deduct from your taxable income in the Annual Income Tax Return for the fiscal year.

Health

Medical, dental and professional services in psychology and nutrition. They are deductible if they are rendered by persons with a professional degree legally issued and registered by the competent educational authorities.

Education

Tuition in private educational institutions with official validity of studies. From preschool to high school or equivalent.

Others

Funeral expenses for your spouse or common-law spouse, as well as for your parents, grandparents, children and grandchildren, you can pay them with any means of payment and you must have the invoice.

Actual interest accrued and effectively paid on mortgage loans for your home, contracted with the financial system, INFONAVIT or FOVISSSTE, among others, and as long as the loan granted does not exceed seven hundred and fifty thousand investment units.

Donations granted to institutions authorized to receive donations

Fiscal Policy

It is understood as the set of instruments and measures taken by the State in order to collect the necessary revenues to carry out the functions that help it meet the objectives of the economic policy, through public spending.

Annual Declaration

The annual tax return is an official document in which individuals or legal entities submit a report of all the operations they carried out during the year to the Tax Administration Service (Servicio de Administración Tributaria, 2023).

Methodology

The methodology sought to determine the perception of individuals under the wages and salaries regime regarding the withholding of their taxes and whether they have achieved a tax benefit so far, for which an instrument was used to collect information using statistical processes.

This instrument was validated with a statistical tool called Cronbach's Alpha.

Part of the research was developed by means of an exploratory and descriptive methodology, which allowed analyzing and investigating aspects of the reality within the Municipality.

A questionnaire was constructed in Google forms which was applied to a systematic sampling to obtain quantitative data, for this methodology it was necessary to have defined the study population, in this case the population was contemplated as the inhabitants of Valle de Bravo which is equivalent to 65,703 inhabitants according to INEGI data, for the determination of the sample as a proportion will be taken as follows:

$$N = \frac{NZ^2Pq}{(N-1)E^2 + z^2pq} \quad (1)$$

Where:

N=Total population

Z=Confidence level 95%-1.96

PQ=Proportion allowed .5

E=Error allowed 5%

Results

Once the data collection instrument has been applied to the population sample of the Municipality of Valle de Bravo, some conclusions can be drawn, among them that there is not an adequate tax culture among people under the Wages and Salaries Regime, out of one hundred percent only forty-five percent know what the annual tax return is, and only nineteen percent know if they are required to file it, and only nineteen percent know if they are obliged to file it, this fact leads us to the fact that seventy seven percent have never filed the return, of the remaining 23% only 10% have obtained a balance in favor, when questioned about the knowledge they had of personal deductions 81% know few or no deductions.

An important part of the research was to question the sample on the issuance of invoices, and how often they requested them for services such as medical, dental, psychological consultations, purchase of eyeglasses and payment of tuition outside public or governmental institutions, these are part of some allowable deductions, The answer obtained was that only 27% of those surveyed request invoices always or almost always, this fact allows us to know the needs of diffusion as an area of improvement in the Municipality, ending with 72% of those questioned that do not have electronic signature, document generated by the Tax Administration System (SAT), being this personal and irreplaceable, being a requirement sometimes for the sending of the annual declaration.

As a solution, a guide was developed that describes as a first point a glossary of words and concepts that are handled in the guide, with this we sought to provide a better understanding of accounting and tax issues at the time of reading it; Likewise, we sought to answer the most common questions that were obtained through the data collection instrument, the concepts that tax the Income Tax (ISR) for Individuals with Wages and Salaries Regime were detailed, it also contains examples of the calculation of ISR, described activity by activity, referencing the tables of Article 96 of the ISR law, ending with a detailed example of the presentation of the annual return in the SAT portal.

Conclusions

Due to the high tax rates collected by the SAT in our country, it was found that there is a poor tax culture among taxpayers, which has caused a very small percentage of taxpayers in the municipality of Valle de Bravo not to file their annual tax return and consequently not to deduct taxes. This is manifested when it is inferred that 67% of the population has never filed the annual tax return, this for various reasons such as: not knowing if they are obliged to file it; it was also found the lack of knowledge of personal deductions and the invoicing process, which allows inferring that a large part of the population of Valle de Bravo does not know it. Likewise, it can be inferred that close to 75% of the municipality's population does not have an electronic signature, which means a problem for taxpayers since they do not have an official document that.

Finally, the objective set at the beginning of the research was achieved, since a problem was identified in the taxpayers of the municipality and a Guide is proposed that will help solve the problems that afflict these people through a series of strategies that allow the taxpayer to know the procedure for the calculation of Income Tax, the taxable concepts of the same, the authorized personal deductions and the presentation of the annual declaration, all reflected in this guide for consultation.

This guide also intends to increase the formality of all those businesses that provide deductible services, which must issue an invoice, which implies being registered with the SAT, affecting an increase in the rate of individuals for wages and salaries that file an annual tax return.

This research seeks to serve as a basis for future compatible studies, in order to provide an analysis of data based on a population and certain periods of time, as well as to make a comparison to see the rate of growth or decrease in the filing of the annual tax return.

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