2026 – 1 Tax Consulting

2027 Economic Package (Initiative)

On September 8, 2026, the 2027 Economic Package was submitted to the Mexican Congress (H. Congreso de la Unión). The package includes draft Decrees to amend, supplement, and repeal various provisions of the Mexican Income Tax Law (the "MITL"), together with transitional provisions; the Federal Duties Law (Ley Federal de Derechos); the Customs Law (Ley Aduanera); the Federal Revenue Law Initiative for Fiscal Year 2027 (Iniciativa de Ley de Ingresos de la Federación); and the Federal Expenditure Budget Decree for Fiscal Year 2027 (Decreto de Presupuesto de Egresos de la Federación). The package also includes the Report on the use of the constitutional authority granted to the Federal Executive in tariff matters, submitted for approval by Congress.

This Flash covers the topics that we consider most relevant from the aforementioned Initiatives; however, we recommend that each Initiative be reviewed individually to identify in a timely manner any additional matters that may be of interest and that are not discussed in this Flash.

The comments included herein are general in nature, intended for guidance purposes only, and should not be considered applicable to specific cases, as they are derived from a conceptual analysis of the provisions, and the impact of each must be analyzed on a case-by-case basis.

As always, we will continue to monitor the legislative process and will inform you in a timely manner, through one or more specific publications of any developments that we consider relevant for our clients and friends.

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MEXICAN INCOME TAX LAW

Control Mechanism for Authorized Deductions and Tax Losses

A new Chapter X is added to Title II of the MITL for legal entities resident in Mexico for tax purposes with taxable income exceeding MXN 50,000,000 that determine taxable profit in the fiscal year. The mechanism establishes a two-tier cap on authorized deductions: when deductions do not exceed 96.67% of taxable income, the cap equals total deductions multiplied by 0.9900; when deductions exceed that percentage, the cap equals taxable income multiplied by 0.9667. Unused deductions may be carried forward for 20 fiscal years; the right is personal and non-transferable.

The offsetting of prior-year tax losses is limited to 50% of taxable profit and also applies to provisional payments. The taxable base for statutory employee profit-sharing (PTU) purposes is determined without applying these caps. Losses that cannot be offset due to the cap may be applied in the following 20 fiscal years; the general 10-year period under Article 57 of the MITL is not modified.

Transitional Provisions establish that, for 2027 estimated tax payments, the profit coefficient is multiplied by a factor of 1.0658 when the deductions for the most recent tax year filed were equal to or less than 96.67% of taxable income, or by a factor of 2.6162 when they exceed such threshold, and losses will be limited to 50% of the taxable profit thus determined.0

Excluded from this mechanism are taxpayers under the Coordinated Tax Regime (*coordinados*), taxpayers engaged in primary sector activities, maquila operators (manufacturing under the *maquila* regime), taxpayers that have been registered with the the Federal Taxpayer Registry for fewer than five fiscal years, insurance institutions, among others.

Limit on Net Interest Deduction

The percentage of adjusted taxable profit used to determine the maximum amount of net interest deductible in the fiscal year is reduced from 30% to 20%; accordingly, net interest exceeding 20% of such profit will be non-deductible.

Deduction of Payments Abroad

Payments made abroad may only be deductible in the fiscal year in which the consideration is paid and the corresponding withholding tax is remitted, with such withholding to be made at the time the payment becomes due, accrues, or it is paid, whichever occurs first.

Deduction of Advance Payments

Advance payments for services and temporary use or enjoyment of property are deductible only in the fiscal year in which the service is actually provided or the relevant period elapses.

Repeal of the Optional Regime for Corporate Groups

Chapter VI of Title II of the MITL is repealed in its entirety. Taxpayers must cease to be part of the regime as of January 1, 2027, and pay the deferred income tax, as adjusted for inflation, no later than December 31, 2027, including the tax corresponding to fiscal year 2026. The deferred tax corresponding to the third immediately preceding fiscal year must be paid by March 31, 2027.

CUCA, CUFIN, and Documented Acquisition Cost of Shares

It is specified that, in the capitalization of liabilities, accrued but unpaid interest nor VAT shall be included as contributed capital. In-kind contributions consisting of accounts receivable will be added only upon collection and for the cash amount collected. In this regard, corresponding adjustments are made to the determination of gains on the sale of shares and to the calculation of the CUFIN (net after-tax profit account), expanding the scope of non-deductible items to those that do not meet the tax requirements set forth in the applicable provisions.

Temporary Tax Incentives

The Income Tax Law incorporates the tax incentives under Plan México, the Economic Development Hubs for Well-Being (Polos de Desarrollo Económico para el Bienestar), Circular Economy Development Hubs (Polos de Desarrollo de Economía Circular), and the Isthmus of Tehuantepec and Yucatán Development Hubs (Polos del Istmo de Tehuantepec y de Yucatán), including accelerated deductions for fixed assets and additional deductions for training and innovation, among others, applicable for fiscal years from 2027 through 2030. Such incentives do not constitute taxable income; and the right to claim them is personal and non-transferable.

Simplified Trust Regime (RESICO)

It is proposed to increase the income threshold for taxation under RESICO from MXN 3,500,000 to MXN 5,000,000 annually. When income exceeds this amount at any time during the fiscal year, payments made under the RESICO will be considered final, and the taxpayer must apply the general regime beginning the following month. The restriction preventing re-entry after non-compliance is eliminated; allowing taxpayers to return to the regime starting the following fiscal year, if income for the prior year does not exceed MXN 5,000,000 and the taxpayer is current on their tax obligations. For the primary, the maximum amount of exempt income is increased from MXN 900,000 to MXN 1,000,000.

For legal entities under RESICO, the income threshold increases from MXN 35,000,000 to MXN 50,000,000. The mandatory application of the regime to legal entities owned exclusively by individuals to fall within the income threshold is eliminated, such that eligible legal entities may elect to be taxed under RESICO.

Re-entry into the regime is permitted in subsequent fiscal years is allowed, and the maximum investment deduction rates are doubled for virtually all categories.

FEDERAL REVENUE LAW

Tax Incentive for Ground Transportation

The tax incentive consisting of a credit up to 50% of the expenditures incurred for the use of the National Toll Highway Network, creditable against income tax for the fiscal year, is revised. The benefit applies to taxpayers engaged exclusively in public or private land transportation of freight, passengers, or tourists, whose total income for income tax purposes is less than 250,000,000 (replacing the MXN 300,000,000 threshold applicable for fiscal year 2026).

Tax Incentive for Initial Public Offerings on the Stock Exchange

An incentive is provided for the 2027 fiscal year that allows for a 10% tax rate on gains from the sale of shares in connection with an initial public offering (IPO) of Mexican companies whose market value does not exceedMXN 50 billion pesos. When the market value is higher, the incentive applies proportionally. The benefit applies up to 25% of paid-in shares sold and requires that the shares effectively placed with the general investing public, provided that the transaction does not result in a transfer of control of the issuer.

Tax Incentive for Final Assessed Tax Liabilities

The incentive for individuals and corporations with total income in fiscal year 2025 not exceeding 300 million pesos is modified; it consists of a 100% reduction in fines, surcharges, and enforcement costs on final tax assessments corresponding to 2025 and prior fiscal years, through a single payment due no later than December 31, 2027. The deadline to apply for this benefit is October 31, 2027. The exclusion of taxpayers who benefited from previous programs is eliminated, and the grounds for exclusion due to criminal complaints or charges are expanded, among other changes.

Repatriation of Resources from Abroad

Individuals and legal entities resident in Mexico, as well as foreign residents with a permanent establishment in Mexico, may repatriate resources of lawful origin held abroad until September 8, 2026, subject to a 7.5% tax rate with no deductions.

The resources must be repatriated no later than December 31, 2027, invested within Mexico, and remain invested for at least three years in designated purposes, including “Plan México” projects, fixed assets, land, research and development, government bonds, and payment of liabilities owed to the Federation. This benefit may even be claimed by taxpayers subject to tax audits, provided that the deadlines for filing appeals have not yet expired.

7% VAT Rate for RESICO Taxpayers

Taxpayers under RESICO may elect to pay VAT by applying a 7% rate to taxable consideration actually collected, through final monthly payments. The election is irrevocable for the fiscal year and does not allow taxpayers to credit VAT charged to them or paid upon importation. The difference between the VAT charged to customers and the VAT paid at the 7% rate will not be treated as taxable income for income tax purposes. Individuals making this election will not be required to maintain accounting records with respect to such transactions or activities.

Withholding Rate on Interest

The annual withholding rate on interest paid by the financial system decreases from 0.90% to 0.68%; and the methodology for its calculation is incorporated into the law.

0% VAT Rate on Books, Newspapers, and Magazines

The additional 8% deduction from the cost of books, newspapers, and magazines is replaced by an incentive consisting of applying a 0% VAT rate to the sale of such goods by taxpayers whose income from that activity represented at least 90% of their total income in the previous fiscal year, with the right to claim a VAT credit on their inputs and without an income cap.

CUSTOMS LAW

The initiative proposes a reform focused on strengthening customs control mechanisms to combat the undervaluation of imported goods, a practice that, according to the explanatory statement, affects tax collection, creates market distortions, and places domestic producers at a disadvantage compared to importers that declare artificially low values. The Executive Branch mantains that recent experience in sectors such as textiles, apparel, and footwear demonstrates the need to provide customs authorities with more effective tools to identify and address risks associated with the proper determination of the customs value of goods.

One of the most significant changes is the addition of an express authority for customs officials to initiate verification proceedings ex officio when the value declared in the customs declaration is lower than the transaction value of identical or similar goods determined in accordance with the Law.

The initiative also amends the current requirement under which customs authorities may impose a precautionary seizure during customs clearance when the value discrepancy is equal to or greater than 50%. The proposal eliminates this threshold and provides that the seizure may apply whenever the declared value is lower than the value determined for identical or similar goods. If the reform is approved, the mere existence of a difference between the declared value and the value determined in accordance with legal valuation methods would be sufficient to trigger this control measure.

The initiative also seeks to modify the use and operation of customs guarantee accounts. Under the current regime, the posting of such a guarantee may prevent a precautionary seizure from being imposed. The proposal eliminates this benefit and establishes a new mechanism for replacing the seizure. Specifically, it distinguishes between value discrepancies below 20%, in which case either a cash deposit or a customs guarantee account may be used, and discrepancies equal to or greater than 20%, in which case only a cash deposit would be permitted. The proposal also expressly provides for the release of guarantees or the refund of deposits when the final resolution in the proceeding is favorable to the taxpayer.

Finally, the inicitative strengthens the penalty regime by reducing from 50% to 20% the value discrepancy threshold required to trigger certain customs violations involving goods imported under customs regimes that allow for the deferral or temporary exemption of tax payments.

Overall, the proposed amendments reflect a shift toward a risk-based enforcement model and stricter oversight of customs valuation, with the aim of strengthening the protection of the government’s tax interests and combating undervaluation practices that the Executive Branch considers harmful to tax collection and economic competition.

FEDERAL DUTIES LAW

National Securities Registry

A 16% increase is proposed in the fees and financial thresholds for registration and maintenance in the National Securities Registry, with the purpose of remedying the backlog accumulated over the past ten years.

Telecommunications and Radio Spectrum

New authorization types are introduced for experimental and temporary use of the spectrum, with issuance fees of MXN 20,843.65, MXN 9,035.16, and MXN 8,103.54, depending on the type of authorization, plus a new fee of MXN 9,035.16 for the extension of secondary use. Regarding the use, enjoyment, or exploitation of the spectrum, fees for various bands (2.5 GHz, 1.9 GHz, 1.7/2.1 GHz, 800/850 MHz, 1.4 GHz, and 3.5 GHz) are reduced by 12%, and it is specified that licensees may be eligible for discounts of up to 100% subject to coverage obligations. The fees for the 700 MHz and 600 MHz bands will not be adjusted in 2027.

Railway Service

The tax rate on gross revenue derived from the use of railway public domain assets is increased from 1.25% to 3.00% for operators with more than 15 years of operation.

Air Navigation

Air navigation fees are increased by 10%.

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Mexico City

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This News Flash contains information of a general nature and is not intended to include any interpretation of the matters discussed herein; accordingly, it should not be considered applicable to any particular case or specific circumstances. The information contained herein is valid as of the date of issuance of this communication; however, we do not guarantee that it will remain valid on the date it is received or on any subsequent date. Accordingly, we recommend requesting confirmation of the implications in each particular case.

Support Information