Tax planning as a strategic tool to optimize taxpayers' tax burden in Colombia

Planificación fiscal como herramienta estratégica para optimizar la carga fiscal de los contribuyentes en Colombia

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Abstract

The strategies related to the optimization of taxes require adequate tax planning; in that sense the purpose of this work is to perform an analysis of its use as a necessary tool for the use of legal benefits tending to the fair payment of taxes. Methodologically, it is described, by means of simulated situations, the development of procedures that frame benefits allowed by the current regulations, supported, in addition, with theoretical support related to tax planning, which, according to the results obtained, reflect that, as a strategy, optimizes the tax burden of the taxpayer. Among the conclusions, it is highlighted that using tax planning as a tool results in the fair payment of taxes based on the knowledge of existing benefits based on the law. At the international level, international organizations show a growing willingness to prevent tax evasion among jurisdictions involved in transnational transactions.

Keywords: planning, strategic management, tax incentives, taxation.

Resumen

Las estrategias relacionadas con la optimización de los tributos requieren de una adecuada planificación fiscal, en ese sentido el propósito de este trabajo es realizar un análisis de su utilización como una herramienta necesaria para el uso de beneficios legales tendientes al pago justo de los tributos. Metodológicamente se describe, mediante situaciones simuladas, el desarrollo de procedimientos que enmarcan beneficios permitidos por la normatividad vigente, soportados, además, con respaldo teórico relacionado con la planificación fiscal, la cual, de acuerdo con los resultados obtenidos reflejan que, como estrategia, optimiza la carga tributaria del contribuyente. Entre las conclusiones se destaca que utilizar la planificación fiscal como herramienta, redunda en el pago justo de los impuestos con base en el conocimiento de beneficios existentes fundamentados en la ley. En el plano internacional se evidencia una creciente voluntad de las organizaciones internacionales para prevenir la evasión fiscal entre las jurisdicciones involucradas en transacciones transnacionales.

Palabras clave: planificación, gestión estratégica, incentivos fiscales, tributación.

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1. INTRODUCTION

Planning refers, according to RAE (2023), to a "general plan, methodically organized and frequently of great scope, to obtain a determined objective". In this sense, Tax Planning frames a structured, detailed and far-reaching general plan whose fundamental purpose is the optimization of the tax burden of taxpayers; this purpose is achieved through the use of tax incentives and benefits under the protection of the rules and laws in force in the corresponding territories. Under the scheme of tax incentives and benefits there are different scenarios aimed at reducing the tax burden of taxpayers, but also at stimulating businesses and transactions that stimulate the flow of operations and, therefore, tax collection. However, sometimes, as pointed out by Lozano & Montaña (2024), by easing the tax burden of taxpayers, there is a risk of affecting the State's tax collection goals.

Within these scenarios we find benefits and incentives for those located in a specific geographical location in the Colombian territory such is the case of companies located in free trade zones or municipalities located in the Zones Most Affected by the Armed Conflict (ZOMAC), where, as conceptualized by Lasso et al. (2020), creation of new companies is promoted through tax incentives for the development of economic activities. We also find scenarios tending to benefit and encourage a specific economic activity such as book publishing in publishing companies or the provision of hotel services; these activities, among others, enjoy a special rate of income tax and complementary taxes. For the development of adequate tax planning, deductions, discounts, exempt income, income that does not constitute income, agreements between jurisdictions to avoid double taxation and tax evasion and treaties that arise between countries that maintain territorial affinities such as Mercosur, Andean Community of Nations, among others, become relevant.

Recent studies on tax planning in Colombia have primarily focused on specific aspects of tax optimization, such as the application of tax benefits to particular taxpayer groups, the effects of tax reforms on corporate taxation, or the control of aggressive tax planning practices in international contexts. Likewise, the literature has examined tax incentives associated with special economic zones, investment promotion, and international initiatives such as the OECD's Base Erosion and Profit Shifting (BEPS) Project. However, these contributions have generally addressed each dimension independently, without offering an integrated analytical perspective that articulates domestic tax planning for individuals and legal entities with international tax planning within a single strategic framework. Consequently, there remains a gap in the literature regarding comprehensive analyses that explain how these complementary dimensions contribute jointly to tax optimization while ensuring compliance with Colombian tax regulations and international standards.

Considering this gap, the research problem addressed in this article is the limited availability of comprehensive studies that explain tax planning as an integrated strategic management tool applicable to different taxpayer profiles and regulatory environments. Although Colombian tax legislation provides numerous legal mechanisms for optimizing tax burdens, these instruments are frequently analyzed in isolation, making it difficult for taxpayers and practitioners to understand their complementary application within a coherent tax planning strategy.

Based on this research gap, the objective of this article is to analyze tax planning as an integrated strategic tool for optimizing the tax burden in Colombia by examining its application to individuals, legal entities, and international taxation. The study seeks to demonstrate how the articulation of these three dimensions contributes to improving tax efficiency while ensuring compliance with the Colombian legal framework and international tax standards.

Its justification is framed in the need to design strategies that allow the proper use of the rules and procedures to obtain the tax benefits offered without breaking the law, a law that by its constant change suggests the possibility of transgression of the tax legal security, which gives special relevance to the tax planning processes, which is presented as an important tool for the efficient compliance with the substantial tax obligation.

The methodology used is descriptive-demonstrative since, by means of results obtained from examples documented in laws, rules and procedures, the benefits of the use of this tool are shown, palpable in the reduction of the tax burden associated with the development of income-producing economic activities of individuals and legal entities. Theoretical aspects of tax planning are also considered, as well as the factors and variables that play an important role in this administrative tax control tool.

The results obtained show that adequate planning in which the tax benefits are used has as a consequence the reduction of the tax bases and other aspects that have a certain incidence in the tax generated, which is reflected in significant monetary savings. It is concluded that tax planning is a relevant tool in the optimization of taxes of Colombian taxpayers derived from the use of the benefits framed in the regulations. In the international context, the efforts made by international organizations to counteract aggressive tax planning practices aimed at preventing the fraudulent collection of tax revenues are highlighted.

The remainder of this article is organized as follows. The next section presents the theoretical and regulatory framework supporting tax planning in Colombia, highlighting its main concepts, legal foundations, and strategic approaches. Subsequently, the methodology adopted for the study is described, followed by the presentation and discussion of the main findings derived from the documentary and regulatory analysis. Finally, the conclusions summarize the main contributions of the study, discuss their practical implications for taxpayers and tax administration, and suggest directions for future research.

2. THEORETICAL AND REGULATORY FRAMEWORK

This section reviews the theoretical and regulatory foundations of tax planning as a strategic tool for optimizing taxpayers' tax burden. It examines the principal conceptual approaches proposed in the literature, the Colombian legal framework governing tax benefits and incentives, and the international regulatory initiatives aimed at preventing aggressive tax planning. This review provides the conceptual basis for the methodological development and subsequent analysis presented in this study.

2.1. Tax planning as a strategic management tool

Tax planning has been widely recognized in the literature as a strategic mechanism for optimizing tax burdens within the legal framework. Although there is broad consensus regarding its importance, scholars differ in the emphasis they assign to its objectives and scope. Méndez (2019) defines tax planning as a socially responsible management tool that seeks to optimize taxation while promoting equity and legal compliance. Similarly, Encalada-Benítez et al. (2020) and López (2017) emphasize its contribution to managerial decision-making by enabling taxpayers to anticipate the fiscal consequences of business operations. From a complementary perspective, Luzzi et al. (2021) highlight its financial dimension, arguing that tax planning facilitates investment decisions through the legal minimization of tax burdens.

Despite these shared perspectives, the literature also reveals important differences regarding the limits of tax planning. While Caamal et al. (2019) consider tax planning an essential instrument for reducing tax liabilities without resorting to tax avoidance or evasion, Fergusson and Hofstetter (2022) warn that the extensive use of tax benefits may produce distributive distortions by disproportionately favoring higher-income taxpayers. These contrasting viewpoints illustrate the ongoing debate between tax efficiency and tax equity, emphasizing that tax planning should not be evaluated solely according to the economic savings achieved but also in terms of its consistency with the principles of fairness and fiscal sustainability.

Consequently, this study adopts an integrative perspective in which tax planning is understood as a legitimate strategic management process that seeks to optimize tax obligations while maintaining full compliance with legal requirements and preserving the balance between taxpayers' rights and the State's fiscal interests.

2.2. Scenarios for the implementation of Tax Planning Strategies

The scenarios for tax optimization are given in the national and international context, also taking into account the type of taxpayer and the type of tax. Thus, taxpayers can only use the benefits that correspond to them as described in the laws and regulations in force. Correct tax planning requires knowledge of the tax system and an exhaustive review of exemptions, discounts, international treaties, agreements to avoid double taxation and tax evasion, etc.

According to García-Moncó & Fuster (2016), tax planning occurs in three intertwined phases: the first refers to planning in the strict sense through the preparation and design of the operation, with pre-designed responses in case of a reaction from the tax administration; the second is based on the self-assessment by the taxpayer according to his own approach and the third consists of the review in which the taxpayer uses the most appropriate ways of opposition to the foreseeable acts of the Administration and which must be based on evidence from the first phase.

The above provisions must be made since there is a widespread belief that tax planning is conceived to defraud the State; however, it is the State itself that creates the laws that benefit taxpayers for a specific situation, thus enabling it to reduce their tax burden. In the international arena, this belief is perceived with greater force, since other actors enter the scene that traditionally drag a trail of doubts in relation to their willingness to serve as an instrument to evade the sacred duty to contribute to the State's burdens.

Among these actors are the so-called tax havens and jurisdictions with low or no taxation. Capital, according to González (2019), "tends to move and accumulate where taxes are lower and, as a result, the so-called tax havens have been competing, increasingly, to attract the attention of international investors with tax and regulatory concessions", represented in, according to León-Trujillo & Vélez-Brito (2022), "exempting non-resident individuals from the tax regime, allowing taxpayers with greater economic autonomy to be attracted by such benefits".

In Colombia there is a great variety of taxes with different connotations ranging from the benefit received by the person paying them to their territoriality; they are classified as taxes, rates and contributions and there are national and territorial taxes applicable in the departments and municipalities. In the national order, the sales tax (VAT) and the income tax and complementary taxes, among others, stand out. In the territorial order, the industry and commerce tax and the property tax in the municipalities and the liquor and cigarette tax and vehicle taxes in the departments stand out.

Each tax may have particular benefits, such as exemptions, discounts, etc., which are not transferable to another tax, i.e., if there is a benefit associated with income tax, that benefit does not apply to any other tax. In this sense, tax planning is unique and unprecedented for each taxpayer.

2.3. Tax planning related to income tax and supplementary taxes

The income tax and complementary taxes, as one of the most representative taxes in the Colombian tax system, has several associated tax benefits described in the tax statute that, if well used, generate significant tax savings through proper tax planning. There are two main types of taxpayers, individual taxpayers and corporate taxpayers. For each of them there are different specifications and, therefore, different benefits.

2.4. Tax benefits to optimize the tax planning of individuals

Individuals have specific connotations derived from their role in obtaining income. In the income tax and complementary taxes, discounts and deductions are limited, and the rate applicable to income is progressive depending on the income obtained. In this sense, it is very important to carry out adequate tax planning to optimize the payment of the tax using the tools provided by the law for this purpose.

Among the tax benefits that apply to individuals in relation to income and supplementary taxes are the incomes that do not constitute income or occasional profit, which are announced from art. 36 of the National Tax Statute (1989), where they list, among others, the premium on placement of shares, the inflationary component of financial returns, dividends and participations, the profit on the sale of the primary residence, contributions to the health system and pension funds.

Exempt income is also an important source of tax planning for individuals. These, although limited, can generate significant tax savings, as well as important returns if they are channeled in an appropriate manner. Contributions to voluntary pension funds and savings accounts for the promotion of construction AFC, exempt income described in art. 206 of the Tax Statute and exempt income in favor of diplomatic personnel are essential for effective tax planning.

2.5. Tax benefits to optimize tax planning for legal entities

For legal entities, the laws contemplate multiple tax benefits, among which are: timely and adequate management of the refund of credit balances, efficient use of tax losses, deductions for investments in environmental control and improvement, deduction for depreciation of assets, deduction for labor payments to workers with limitations, deduction for labor payments to women victims of violence, deduction of salaries for hiring apprentices, among others.

It is important to emphasize that some tax benefits are not reflected in the tax statute but are described in different laws. Knowing the tax benefits, their application and scope, allow the generation of significant tax savings, but, in addition, from its implementation, other indicators related to corporate social responsibility are met in addition to the satisfaction generated by contributing to vulnerable people or communities.

2.6. International tax planning as a tax optimization tool

Multinational organizations, operating with increasing ease in the global economy, use legal strategies that result in the avoidance of payment of the full tax since by shifting profits they erode taxable bases, a practice that, according to Ramos (2015), is "one of the leading forms of international tax avoidance in aggressive tax planning".

The Organization for Economic Co-operation and Development (OECD), as stated by Calderón & Quintas (2016), has been "developing and promoting the implementation of a complementary cooperative tax compliance model" for years since, in the words of Sanz (2016), "traditional control mechanisms are not enough to know in an agile and timely manner the strategies implemented by taxpayers".

Therefore, the so-called BEPS Project[1], outlined by the OECD (2023), as "a package of 15 actions comprising different solutions to prevent avoidance and evasion, improve the coherence of international tax regulations and ensure more transparent taxation", emerges as a control tool, emphasizing in Action 12, the requirement for taxpayers to disclose aggressive tax planning methods, in addition to specifically recommending, from the perspective of Martín-Abril (2018), "the implementation of effective information exchange between tax administrations".

1 Base Erosion / Profit Shifting, tax base erosion and profit shifting.

The BEPS Project did not bear the expected fruits due to the exponential growth of multinational transactions, a logical consequence of, as pointed out by Becerra-Peña et al. (2023), "a significant transformation and an unprecedented expansion in terms of the variety of products and the adoption of ICTs" that make the verification and control of these transactions difficult, which has forced the OECD to implement new schemes to address the risks arising from the digital economy.

These new schemes, in place since 2021, are known as the BEPS 2.0 Plan or the Two Pillar Plan which suggests, firstly that MNEs distribute a portion of their profits, in this case 25%, to the jurisdictions that are the source of their wealth and secondly an international agreement on a minimum corporate tax of 15% which, according to Zucman (2023), is a first and important regulation of globalization, with hopeful prospects.

3. MATERIALS AND METHODS

This study adopts a qualitative documentary research design with a descriptive and analytical scope, aimed at examining tax planning as a strategic tool for optimizing taxpayers' tax burden within the Colombian legal framework. The analysis is based on the systematic review of tax legislation, specialized literature, and international tax regulations related to tax planning. The research was structured around three complementary analytical dimensions: tax planning for individuals, tax planning for legal entities, and international tax planning. This integrated approach allows for the analysis of tax optimization strategies applicable to different taxpayer profiles and regulatory contexts.

For individuals, the analysis was based primarily on Article 126-1 of the Colombian Tax Statute, which regulates tax benefits associated with voluntary pension contributions and construction savings accounts. For legal entities, the study examined the tax incentives established in Law 361 of 1997, concerning the employment of persons with disabilities, and Article 23 of Law 1257 of 2008, related to the hiring of women victims of violence, as representative examples of tax planning strategies available under Colombian legislation.

International tax planning was analyzed through a documentary review of Double Taxation Agreements, mechanisms aimed at preventing tax avoidance and evasion, transfer pricing regulations, and the recommendations issued by the Organisation for Economic Co-operation and Development (OECD) under the Base Erosion and Profit Shifting (BEPS) framework. The information collected was examined using documentary and comparative legal analysis, allowing the identification and evaluation of the principal tax planning strategies applicable in both domestic and international contexts.

4. RESULTS

To obtain reliable results, simulations were conducted through the implementation of tax planning strategies based on benefits established in the Colombian tax system. The simulations were developed using representative scenarios for individuals, legal entities, and international tax planning. The legal basis for each simulation is presented in Table 1.

Table 1. Legal source of the examples used to obtain results.

Item	Taxpayer	Context	Standard
1	Individual	National	Art. 126- 1 Tax Statute
2	Legal entity	National	Law 361 of 1997, art. 31; Law 1257 of 2008, art. 23
3	Legal entities	International	Art. 12 Tax Statute. CDIs. OECD

Source: own elaboration.

4.1. Results of Tax Planning for Individuals

The first result in relation to item 1 of the table above, the simulation is presented for a taxpayer, individual, with a monthly salary of fifteen million pesos, with consideration of art. 126-1 of the Tax Statute. Withholding tax deductions are deducted by the employer, as indicated in art. 388 of the same statute, with the following connotations:

Table 2. Withholding tax liquidation of salaried employees by Procedure 1.

CONCEPTS	NO CONTRIBUTION TO THE FPV	WITH CONTRIBUTION TO THE FPV	REMARKS
Monthly salary income	15.000.000	15.000.000	
(-) INCRNGO	1.350.000	1.350.000	Corresponds to the contribution to the health care system, the mandatory pension contribution and the contribution to the pension solidarity fund.
Net income	13.650.000	13.650.000	
(-) Contribution to voluntary pension fund	0	2.730.000	The maximum contribution is 30% of labor income, however, it can be lower if the taxpayer chooses to do so.
Basis for exempt labor income	13.650.000	10.920.000	
(-) 25% of exempt labor income	3.278.434	2.730.000	This exempt income added to the FPV contribution should not exceed 40% of the taxpayer's net income.
Taxable income in pesos	10.371.566	8.190.000	
Taxable income in UVT	208	164	Values determined in accordance with art. 383 of the Tax Statute
Withholding tax rate	28%	19%	
Monthly withholding tax	**1.310.000**	**657.000**	

Source: own elaboration.

It is evident in the example given that, when comparing the two situations, there is a significant decrease in the value of the withholding at source on the salary when the contribution is made to the FPV, which constitutes a higher income for the taxpayer, as summarized below:

Table 3. Tax optimization through tax planning.

Withholding at source without applying the benefit of art. 126-1	1.310.000
Withholding at source with application of the benefit of art. 126-1	657.000
Lower monthly withholding tax deduction	653.000
Savings in one year reflected as higher income for the taxpayer	**7.836.000**

Source: own elaboration.

However, the benefit does not end there. Article 126-1 states that the contributions and yields of those contributions that remain in the voluntary pension fund for a minimum period of ten years maintain the condition of exempt income and must not be included in the income tax return for the period in which the withdrawal is made. From the savings point of view, the returns on contributions are also significant. Skandia (2024) points out that the contributor chooses the portfolio where he/she wants his/her money to be invested and the higher or lower risk will determine the yield percentage. In a recent report by the Superintendencia Financiera de Colombia (2024), the yields of the different voluntary pension funds range between 6 and 10%.

Continuing with the proposed simulation, the yield of the voluntary contribution made during one year is visualized, maintaining the ten-year permanence condition described in Art. 126-1. The yields are liquidated using the compound interest formula which maintains the value of money. The yields for this taxpayer are presented in the following table with a minimum annual rate of 6.5%:

Table 4. Income derived from Tax Planning for individuals.

Year	Amount invested	Performance	Remarks
1	32.760.000	2.129.400	The amount invested in this first year corresponds to the monthly contribution to FPV of the taxpayer's salary referenced in Table 1.
2	34.889.400	2.267.811	The amount invested increases year after year, since the compound interest formula is used for the liquidation of yields, generating its capitalization.
3	37.157.211	2.415.219	
4	39.572.430	2.572.208	
5	42.144.638	2.739.401	
6	44.884.039	2.917.463	
7	47.801.502	3.107.098	
8	50.908.599	3.309.059	
9	54.217.658	3.524.148	
10	57.741.806	3.753.217	
Contribution for the first year		32.760.000	
10-year yields		28.735.023	
Total available capital not subject to tax or withholding tax		**61.495.023**	

Source: own elaboration.

It is important to emphasize that the savings were only for one year, that is, the withholding at the source was made to the taxpayer, month by month, from his salary. At the end of year 10, the time required by law to enjoy the benefit mentioned above, a percentage wealth of 47% was generated, that is, he invested $32,760,000 and the final balance of his individual account was $61,495,023, which can be withdrawn without constituting income or occasional gain, that is, tax free, without adding the income received on the occasion of the lower value withheld from his salary in the first year highlighted in Table 2.

4.2. Results of Tax Planning for Legal Entities

The second result is related to the tax planning of legal entities and focuses on the analysis of the financial situation in order to define legal strategies to optimize the tax obligation. There are a series of benefits described in the laws and regulations that can be taken advantage of by legal entities without any special condition being necessary, i.e., regardless of the economic activity, place of domicile, type of company, etc., while there are benefits that only apply to a particular situation, which is relevant when planning the payment of taxes. In relation to the above, the following situation stands out:

With reference to item 2 described in Table 1, by means of Law 361 (1997), the dignity that is proper to persons with limitations in their fundamental, economic, social and cultural rights for their complete personal realization is recognized; said Law in its article 31 states that those obliged to file income and complementary tax returns, "are entitled to deduct from income 200% of the value of salaries and social benefits paid during the taxable period to workers in a situation of disability". The use of this benefit is reflected as follows:

Table 5. Tax savings derived from the Tax Planning of legal entities.

Determination of income tax	No benefit	With benefit
Ordinary and extraordinary income	500.000.000	500.000.000
Less: Returns, rebates and discounts	1.500.000	1.500.000
Net income	498.500.000	498.500.000
Less: Costs	199.400.000	199.400.000
Gross income	299.100.000	299.100.000
Less: Deductions (Includes $30,000,000 in salaries paid to persons with disabilities)	164.595.000	164.595.000
Additional deductible for salaries paid to disabled persons (Art. 31 Law 361 of 1997)		30.000.000
Net income	**134.505.000**	**104.505.000**
Income tax (35% in force year 2024)	47.077.000	36.577.000
Savings from tax planning		**10.500.000**

Source: Own preparation based on art. 26 of the Tax Statute.

The salaries paid are fully deductible in income tax, if they comply with the requirements established in Article 108 of the Tax Statute. What makes the difference is taking a tax benefit associated, in this case to the salaries, which generates a real palpable economic effect in the decrease of the taxable base and, therefore, the decrease of the tax payment.

In the same sense, Article 23 of Law 1257 (2008), states that employers are entitled to deduct from income and supplementary taxes, 200% of the value of salaries paid in the taxable year or period, to women victims of proven violence, which is consistent with the previous example.

In addition to the benefits mentioned above, there are many others that can be taken without contravening the rules and without generating any abuse of the laws; the depreciation expense, for example, is a contribution that the State makes to entrepreneurs to contribute to the generation of income from assets; the credit balances as a tax credit are also part of proper tax planning, these must be requested at the stipulated times. Losses from previous years are an important part of tax planning, among many other benefits.

4.3. Results of International Tax Planning

For the purposes of tax planning that meets the taxpayer's needs in international contexts, it is necessary to know, among other factors, the source of income, the taxpayer's tax residence and the treaties to avoid double taxation between the countries involved. Each of these variables is fundamental when making budgets that lead to tax savings.

For taxpayers whose transactions transcend Colombian borders, strategies aimed at saving taxes through the correct use of benefits framed in rules, laws, procedures or particular regulations of each jurisdiction acquire special importance. Globalization generates many business opportunities and a multitude of possibilities to execute them, hence the importance of planning effectively to minimize the tax burden and maximize profits by paying only the corresponding taxes.

Among these strategies is the proper use of double taxation avoidance treaties, an imperative in planning to avoid overpayments. In this sense, choosing the appropriate jurisdiction to invest in is fundamental, taking into account that, according to Camués (2022), an abusive use of treaties sets up harmful practices such as treaty-shopping, which seeks to avoid compliance with tax obligations, generating serious damage to the tax authorities of the jurisdictions involved.

Another frequently used tax planning strategy is related to transfer pricing between related entities, which according to Alais (2020), is the economic result of the valuation of performance for specific purposes without taking into account supply and demand. It regulates the distribution of tax revenues to the tax authorities involved. Internationally each group company is treated as an individual taxable entity and what they produce in one territory, to Bogotá & Cardona (2022), "they market it in others taking advantage of the opportunity to place profits and/or earnings in jurisdictions with low or no taxation or in countries that have convenience taxation

Along these lines, Nomad Tax (2023), states that there is transfer pricing manipulation when "two related parties, a buyer and a seller, trade at prices designed to influence markets or deceive tax authorities". Under this perspective, a company with a subsidiary in country A, sells products to another subsidiary B located in a tax haven at a very low price and this one, i.e. B resells the products to a subsidiary C in the destination country at a much higher price, allowing both A and C to record little profit, while B, with a low taxation due to being in a tax haven, concentrates the profits.

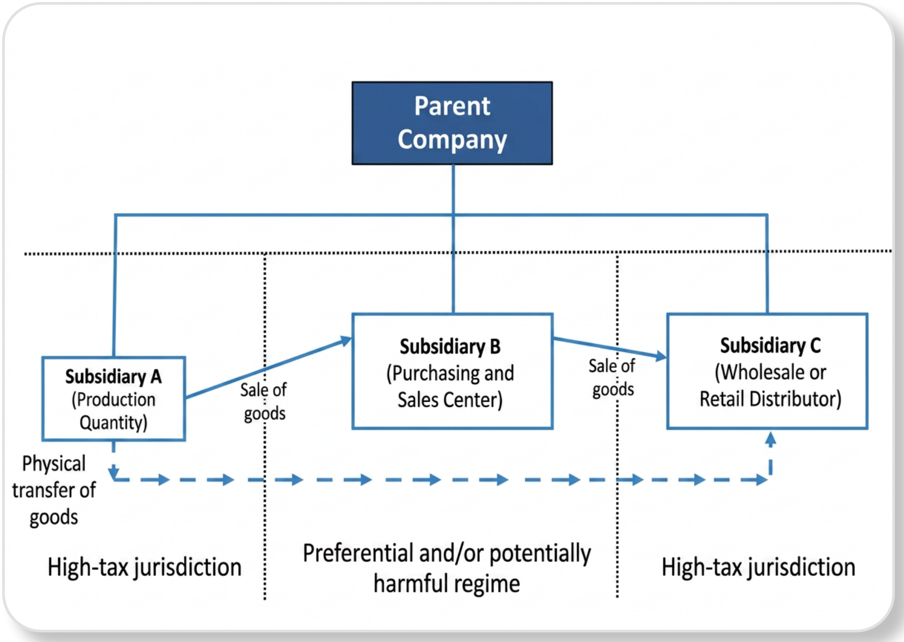

Figure 1. Taxable base erosion through price triangulation.

Fuente: Casas et al. (2023).

Thus, although the profit is high in B, the tax is lower than in the other jurisdictions since the income tax rate is low and in some cases, it is zero, i.e., tax bases are eroded and, therefore, profits are shifted to low or no tax locations.

5. DISCUSSION

The simulations conducted in this study demonstrate that tax planning should be understood as a comprehensive strategic management process rather than the isolated application of tax incentives. The results obtained for individuals, legal entities, and international taxation confirm that the systematic use of legal tax mechanisms allows taxpayers to optimize their tax burden while maintaining full compliance with the Colombian legal framework and internationally accepted tax principles. Consequently, tax planning extends beyond reducing tax liabilities, constituting an instrument that integrates legal certainty, financial planning, and strategic decision-making.

6. CONCLUSIONS

From a practical standpoint, the simulated scenarios provide taxpayers, accountants, tax advisors, business managers, and public institutions with representative examples of how tax legislation may be applied to optimize tax obligations through lawful mechanisms. The analysis also illustrates that effective tax planning requires not only knowledge of tax regulations but also the ability to identify the benefits applicable to each taxpayer according to their legal status, economic activity, and international operations. Consequently, the study contributes to improving decision-making processes related to tax compliance and financial management.

Despite these contributions, the study presents certain limitations. The analysis is based on documentary research and representative tax simulations rather than empirical evidence obtained from taxpayers or business organizations. Furthermore, the applicability of the analyzed strategies depends on the Colombian legal framework currently in force, which may be modified through future tax reforms. Therefore, the conclusions should be interpreted within the regulatory context considered in this investigation.

Future research could complement this documentary approach through empirical studies involving taxpayers, tax consultants, companies, and tax authorities to evaluate the practical implementation and effectiveness of tax planning strategies across different economic sectors.

This study confirms that effective tax planning depends on the appropriate identification and lawful application of the tax benefits available to each taxpayer according to their legal status, economic activity, and international operations. The documentary analysis and the simulated scenarios confirm that effective tax planning must be tailored to each taxpayer, since the tax benefits provided by the Colombian tax system are dispersed throughout different legal provisions and are not equally applicable to all taxpayers. Consequently, adequate knowledge and interpretation of tax legislation become essential for designing efficient tax planning strategies.

From an academic perspective, the principal contribution of this study lies in integrating tax planning for individuals, legal entities, and international taxation into a single analytical framework. While previous studies have generally examined these dimensions independently, this research demonstrates their complementarity as components of a comprehensive tax planning strategy aimed at improving tax efficiency while ensuring legal compliance. From a practical standpoint, the simulated scenarios provide taxpayers, tax advisors, and business managers with illustrative examples of how tax regulations may be strategically applied to optimize tax obligations without violating the law.

In conclusion, tax planning is an effective instrument for maximizing tax savings, provided that domestic tax benefits and those available under international jurisdictions are applied appropriately, responsibly, and in full compliance with tax legislation. Proper tax planning not only generates economic benefits for taxpayers but also strengthens legal certainty, promotes informed financial decision-making, and contributes to a more efficient, transparent, and equitable tax system.

For individual taxpayers, the example highlights that voluntary contributions to pension funds are an effective tax planning tool. The reduction in withholding tax immediately improves liquidity, while the tax-exempt investment returns generated through long-term savings contribute significantly to wealth growth. This assertion is consistent with studies that identify the benefits of voluntary pension plans as instruments that promote tax efficiency and long-term financial planning. However, unlike those studies, this study demonstrates their combined effect on cash flow management, tax optimization, and capital formation through a representative simulation.

The results obtained for legal entities reinforce the argument that tax planning may simultaneously generate economic and social value. The additional deductions established in Law 361 of 1997 and Law 1257 of 2008 not only reduce taxable income and income tax liability but also encourage the employment of persons with disabilities and women victims of violence. In this sense, the findings support the view that tax incentives may operate as public policy instruments capable of aligning business competitiveness with broader social objectives. Therefore, tax planning should not be interpreted solely as a mechanism for reducing tax burdens but also as a managerial strategy that encourages socially responsible corporate behavior within the limits established by tax legislation.

The analysis of international tax planning reveals a considerably more complex scenario than domestic tax planning because taxpayers must simultaneously comply with multiple tax jurisdictions and international standards. The simulations illustrate that effective international tax planning requires the coordinated application of Double Taxation Agreements, transfer pricing regulations, and international initiatives aimed at preventing aggressive tax planning practices. Consequently, international tax optimization depends not only on identifying tax advantages but also on ensuring transparency, legal certainty, and compliance with international cooperation mechanisms.

These findings are consistent with the growing international literature that recognizes tax planning as a legitimate management tool when it remains within the boundaries established by law. Nevertheless, they also reflect the concerns expressed by authors such as Espinosa and Hoyos (2019), who argue that exceeding the legal limits of tax planning may result in abusive practices, legal simulation, and, ultimately, tax fraud or tax evasion. Likewise, Hernández-Belaides (2023) highlights that the absence of effective tax information exchange agreements and the persistence of banking secrecy in certain jurisdictions continue to facilitate aggressive tax planning strategies capable of eroding national tax bases. Accordingly, the present study supports the position that tax planning should pursue tax efficiency without compromising fiscal transparency or public revenue collection.

From a theoretical perspective, this research broadens the conceptual understanding of tax planning by proposing an integrated framework that connects domestic and international tax strategies within a comprehensive tax management approach. This perspective emphasizes that tax planning should be analyzed not only from a legal standpoint but also from its financial, administrative, and strategic dimensions.

7. CONFLICTO DE INTERESES

El autor declara explícitamente que no existe ningún conflicto de interés

8. REFERENCIAS

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