



NOBOA, PEÑA & TORRES
ABOGADOS ECUADOR

FLASH LEGAL #001175

Income Tax Rates Defined for Individuals for Fiscal Year 2026

Dear Clients and Friends:

In the Second Supplement to Official Register No. 194, dated December 30, 2025, Resolution No. NAC-DGERCGC25-00000043 issued by the Internal Revenue Service was published. This Resolution updates the ranges in the tables used to compute income tax for individuals, undivided estates, and on inheritances, legacies, and donations, pursuant to Article 36 of the Internal Tax Regime Law, for fiscal year 2026.

The income tax table for individuals and undivided estates is as follows:

Fiscal Year 2026 (in U.S. Dollars)			
Basic Fraction (U.S. Dollars)	Excess Up To (U.S. Dollars)	Tax on Basic Fraction (U.S. Dollars)	Tax on Excess Fraction (%)
-	12.208	-	0%
12.208	15.549	-	5%
15.549	20.188	167	10%
20.188	26.700	631	12%
26.700	35.136	1.412	15%
35.136	46.575	2.678	20%
46.575	62.005	4.965	25%
62.005	82.679	8.823	30%
82.679	109.956	15.025	35%
109.956	Forward	24.572	37%

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The income tax table for capital gains arising from inheritances, legacies, donations, and found property is as follows:

Fiscal Year 2026 (in U.S. Dollars)			
Basic Fraction (U.S. Dollars)	Excess Up To (U.S. Dollars)	Tax on Basic Fraction (U.S. Dollars)	Tax on Excess Fraction (%)
-	78.527	-	0%
78.527	157.053	-	5%
157.053	314.108	3.926	10%
314.108	471.193	19.632	15%
471.193	628.268	43.195	20%
628.268	785.321	74.609	25%
785.321	942.353	113.873	30%
942.353	Forward	160.982	35%

In the event that beneficiaries of inheritances and legacies are within the first degree of consanguinity with the decedent, the rates in the preceding table shall be reduced by half.

We hope that you find this general information helpful. Please note that it is not intended to constitute legal advice. Should you have any specific inquiries, we would be pleased to provide further assistance.

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