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Refund of the Real Estate Acquisition Tax in Mexico City

As part of the Economic Package 2026, the Finance and Public Credit Committee of the Chamber of Deputies has approved the following amendments to the Special Tax on Production and Services Law (*Impuesto Especial sobre Producción y Servicios*; the “IEPS”):

Cigars, manufactured tobacco, and nicotine products

Increases of between 160% and 200% in the ad valorem tax rates for cigarettes, cigars, and other manufactured tobacco products have been approved. In addition, the ad valorem tax rate for cigars and other manufactured tobacco products made entirely by hand has increased from 30.4% to 32%.

This entails an increase in the prices of these products, since in the case of cigarettes, cigars, and other manufactured tobacco products, the tax would increase from MX\$160 to MX\$200 per MX\$100 of base price, and, in the case of cigars and other manufactured tobacco products made entirely by hand, the tax would increase to MX\$132.

Similarly, an increase in the tax applicable to cigarettes, cigars, and other nicotine products has been approved. This tax will increase from MX\$0.85 in 2026 to MX\$1.16 in 2030.

Games involving gambling and lotteries

An increase from 30% to 50% in the tax rate applicable to gambling services has also been approved.

This will apply to games which involve gambling and lotteries, including:

- In-person games and lotteries (such as casinos and bingo).
- Games and lotteries played online or electronically (online sports betting and online casinos, among others) and will also apply to digital service providers or intermediation platforms.

Oral electrolytes

As part of the amendments to the Special Tax on Production and Services Law, a tax on oral electrolytes has also been approved.

Electrolytes prepared in water that include added sugars, colorants, or flavorings will be subject to this tax, which will be equivalent to MX\$3.08 per liter.

Similarly, oral electrolytes that comply with the formula recommended by the World Health Organization (WHO) and exclusively contain the following ingredients, will be exempt from this tax:

- Anhydrous glucose
- Sodium chloride
- Potassium chloride
- Trisodium citrate

This is significant, since the tax is expected to apply to most of the products on the market (since these products are not composed exclusively of the ingredients recommended by the WHO), which will directly affect the final consumer.

Flavored beverages or beverages with sweeteners

An 87% increase in the fixed tax rate applicable to flavored beverages has also been approved, including those that contain sweeteners, which are currently not included in the category of beverages subject to this tax.

Accordingly, for 2026, the tax rate for flavored beverages will increase from MX\$2.86 per liter to MX\$3.08 per liter, and in the case of beverages that contain non-caloric sweeteners, it will increase from MX\$0 per liter to MX\$1.50 per liter.

Video games

From January 1, 2026, video games that are classified as “violent” will be subject to an 8% tax under the amendments to the IEPS.

Pérez-Llorca Mexico’s Tax team is available to provide further information on the contents of this Legal Briefing.

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