

DECISION REACHED IN THE SIXTH NATIONAL PTU COMMISSION

Since March 4, 1985, when the Third Commission set the percentage for employee participation in company profits at 10%, subsequent Commissions have kept the same percentage unchanged, without taking into account the national economy general conditions, the need to promote the country's industrial development, the right of capital to obtain a reasonable interest and the need to take the necessary reinvestment of capital into consideration, thus failing to comply with the provisions of Article 118 of the Federal Labor Law.

In other words, the percentage of the profits that the workers have a right to has not changed in 35 years, without taking into consideration the significant changes that the national economy has undergone during all this time.

This has become a highly onerous burden, particularly for small and mid-size enterprises (SMEs), that limits their competitiveness and development.

On the other hand, this percentage is also very costly for large companies and unattractive for foreign investment. While the corporate tax rate was reduced to 20% in the United States, companies in Mexico are subject to an income tax that, taking the dividend tax into account, can reach 37% and, with the addition of the PTU (Profit Sharing), reaches 47%. If the employer is a natural person, the tax rate, including the PTU, can reach 52%.

To a large extent, this is why many companies have resorted to outsourcing or subcontracting, particularly under schemes of service companies within the same group "insourcing", or by third parties "outsourcing" in order to partially lessen the effects of profit sharing and reducing their costs in some of the activities they perform in order to continue being competitive, ensuring their progress and viability.

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