

Annex 3.14

Luxury Tax

1. Chile shall eliminate the Luxury Tax established in Article 46 of *Decreto Ley* 825 of 1974 according to the following schedule:

Year	Tax Rate
1	63.75%
2	42.50%
3	21.25%
4	0.00%

2. Upon the date of entry into force of this Agreement, Chile shall increase the threshold at which the tax is applied to US\$2,500 above the level provided for that year under Article 46 of *Decreto Ley* 825, and increase the threshold each subsequent year by an additional US\$2,500 until the tax is eliminated.