

# Chile enacts higher taxes to fund schools

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(AP)—Chile is enacting measures that raise taxes on large businesses to help finance improvements in education, health and other services.

President Michelle Bachelet says the law that goes into effect on Oct. 1 will help reduce [inequality](#) in the South American nation. She spoke Friday at a ceremony to promulgate the law.

Taxes on large corporations will gradually rise to 25 or 27 percent by 2018. They are now 20 percent. The government says 95 percent of small and medium businesses won't be affected.

Taxes are also jumping on tobacco, [alcoholic drinks](#) and sugary beverages, though the rate will fall for un-sugared drinks.

The government says half the \$8.3 billion it expects to raise will to go improve education, with most of the rest going to build 20 hospitals and other [health centers](#).

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