



BDO Seidman, LLP
Accountants and Consultants

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Subject:

Sales and Use Tax in Puerto Rico

International Tax Alert

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Background

Effective November 15, Puerto Rico will incorporate a Sales and Use Tax ("IVU" for its acronym in Spanish) of 5.5%, plus an additional municipal tax of up to 1.5%, depending on the municipality involved, for a total of up to 7.0 %.

Details

Every person or corporation doing business in Puerto Rico is required to register with the Puerto Rico Treasury Department, even when not required to charge and remit the IVU.

Those persons that register on or before October 15th are guaranteed to receive their Registration Certificate by November 15th. **Failure to register on or before October 15th may result in a fine of up to \$10,000.**

You may register online via the following link to a webpage of the Puerto Rico Treasury, which contains additional instructions. Click on the link below or copy and paste it into your browser:

<https://registroivu.hacienda.gobierno.pr/web/regComercio.do>

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