

May 16, 2019

Tax Update

The Municipality of San Juan Enacts Municipal Sales and Use Tax Amnesty

On March 26, 2019 the Municipality of San Juan issued Municipal Ordinance No. 23, Series 2018-2018 (MO-23) authorizing an amnesty for the payment of Municipal Sales and Use Tax (Municipal SUT). The amnesty period began on May 1st 2019 and will be effective until September 30, 2019.

Pursuant to MO-23, the amnesty shall be applicable to (i) any natural or juridical person that owes Municipal SUT or (ii) that voluntarily discloses the amounts of SUT attributable to its operation in the Municipality. The amnesty provides the total waiver of interest, late fees and penalties imposed on the amounts owed or voluntarily disclosed for periods ending before January 1, 2019.

Taxpayers interested in benefiting from the amnesty must file an application with a processing fee, equal to 5% of the total amount owed, but never less than \$100 nor more than \$1,500. Taxpayers making full payments at the time of filing of their applications shall have full waiver of interest, late fees and penalties. Taxpayers choosing a payment plan generally be required to make a down payment of 20% of the amount owed and will be subject to an additional charge of 10% of the principal amount.

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