

Tax Alert: Update Municipality of San Juan tax amnesty extended

The Municipality of San Juan has extended the tax amnesty period granted under Municipal Ordinance No. 15, Series 2014-2015, **until March 30, 2015.**

Various settlement alternatives are provided depending on the fiscal year in which the debt originated as follows:

Fiscal years 2010-2011 through 2013-2014

The benefit is a full waiver of interest, surcharges and penalties if the taxpayer elects to pay the principal as a lump sum payment. If the taxpayer elects to enroll in a payment plan, 10% of the amount of accrued interests, surcharges and penalties owed, will be added to the debt.

Fiscal years 2006-2007 through 2009-2010

If the taxpayer elects to pay in full, the benefit will be the full waiver of interest, surcharges and penalties, and 35% of the principal amount. If the taxpayer enrolls in a payment plan, the waiver of the principal will be reduced to 30%, without additions for the accrued interests, surcharges and penalties owed.

Fiscal years 2005-2006 and earlier

If the taxpayer elects to pay in full, the benefit will be the full waiver of interest, surcharges and penalties, and 55% of the principal amount. If the taxpayer enrolls in a payment plan, the waiver of the principal will be reduced to 50%, without additions for the

accrued interests, surcharges and penalties owed.

Eligibility

In order to be eligible for the tax amnesty, the taxpayer must file any previous unfiled Volume of Business Declaration for the fiscal years under the tax amnesty program; and must have filed and paid the Volume of Business Declaration for the fiscal year 2014-2015.

Payment plans

The Director of Finance will set the payment plan period without exceeding three (3) years. The payment plan requires an initial minimum payment equal to the 10% of the amount to be settled. In addition, interest charges will be added to the payment plan as follows:

Plan period	Interest rate
12 months of less	No interest charges
13-24 months	5%
25-36 months	7%

Amnesty fees

Taxpayers who voluntary enter in the tax amnesty program must pay a nonrefundable **administrative fee** equal to 0.5% of the total debt, which shall not be less than \$25 and not more than \$500.

Also, taxpayers under a court proceeding or with cases under investigation for which a deficiency has been notified must also pay a **legal fee** equal to 10% of the total debt.



Contact us

For assistance in this matter, please contact us via maria.rivera@pr.gt.com or francisco.luis@pr.gt.com



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March 3, 2015

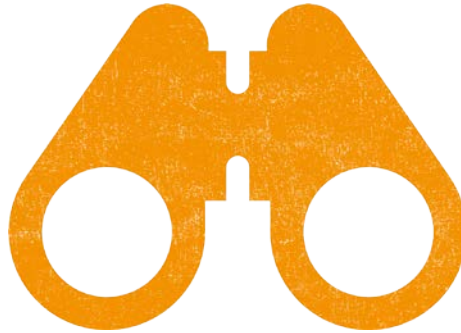
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Payment

All payments required as part of the tax amnesty program must be made in cash, debit or credit card, certified check or money order.

If a taxpayer does not agree with a particular debt, it must request reconsideration providing supporting evidence. The Municipal Finance Office will evaluate the claim and notify the result. In such notification is received after the amnesty period has ended, the taxpayer would still have a period of thirty (30) days once the notification was sent to settle according to the terms of tax amnesty program.



Please contact our Tax Department should you require additional information regarding this or any other tax issue; we will be glad to assist you.

March 3, 2015

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