

Tax Alert: Proposed value added tax in Puerto Rico – Part VI

Puerto Rico Legislature Bill No. 2329, better known as the Transformation of the Commonwealth of Puerto Rico Tax System Act, introduces a value added tax system (“VAT”) in Puerto Rico.

In this, the sixth of a series of Tax Alerts devoted to describe the new system, we explain the **concept of the fiscal statement** that will be in effect if the Bill is approved as is. In order to be able to claim credit for the VAT paid to suppliers, the merchant must have fiscal statement for those purchases.

Fiscal Statement or “Comprobante Fiscal”

Merchants that purchase goods or services must request from the seller or service provider a fiscal statement within 30 days after the receipt of the goods or services subject to the fiscal statement. In the case of buyer merchants that are under the cash basis method, they will only be allowed to request the fiscal statement after they have paid the corresponding VAT of such statement.

Moreover, the seller merchant must provide the fiscal statement within 30 days of the request. However, the merchant seller or service provider will not be required to provide the fiscal statement if the goods or services were exempt, subject to a 0% tax rate, sold to a “small merchant” (meaning a merchant with gross sales under \$75,000) or were sold at retail (defined as to sales to persons that are not merchants).

The fiscal statement should include:

- title “Value Added Tax Fiscal Statement”;
- seller’s name, address and telephone number;
- purchaser’s name, address and telephone number;
- issuing date of the fiscal statement;
- serial number of the fiscal statement;
- description of the goods sold or service rendered;
- selling price of the goods sold or service rendered;
- the VAT;
- the total invoiced; and
- any other information determined by the Secretary of the Treasury through an official document.

Debit Note and Credit Note

Any adjustment in the value of the sale or service must be documented with a Debit Note or Credit Note. At the request of the buyer merchant, the seller merchant that issued the fiscal statement will be required to issue to the buyer merchant a Debit or Credit Note when there has been an increase or decrease in the value of the sale.

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



Contact us

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





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