

Tax Alert: Alternate payment method requirements to professional services providers

The Governor of Puerto Rico signed into law Act 42-2015 on March 28, 2015, a measure to provide an alternate payment method to clients and/or patients who receive services from professional services providers.

This Act aims to curtail tax evasion from businesses that currently have “cash only” as a payment policy for services rendered.

Act 42-2015 requires those professionals that provide services and are required to have a license or legal authorization to operate in Puerto Rico, to accept at least two (2) alternatives for payments from their clients, and in the case of doctors, from their patients.



The alternatives may be credit or debit cards, cash, checks, certified checks, money orders, electronic funds transfers, and payments through internet.

Noncompliance with this new alternate payment method requirement may result in a fine ranging from \$500 to \$3,000. In case of a subsequent failure, the fine increases from \$5,000 to \$10,000.

Service providers will also need to place a visible and legible sign in its operating locations indicating the two alternate payment methods available.

The Puerto Rico Treasury Department has a period of 90 days after the approval of Act 42-2015 to issue regulations to enforce compliance with these new provisions.

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, lina.morales@pr.gt.com, isabel.hernandez@pr.gt.com or francisco.luis@pr.gt.com



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