



Sales and Use Tax Exemption on articles for the preparation of the hurricane season

May 11, 2022

On May 6, 2022, the Governor of Puerto Rico signed Act 20, 2022. Act 20, 2022 provides an exemption from the Sales and Use Tax (SUT) during the last weekend of May, for the articles and equipment used by the population for the preparation for the hurricane season. Based on this Act, the Secretary of the Treasury will be required to issue a circular letter not later than May 1 of each year to establish the period of the last weekend of May in which the exemption will be applicable. In those years in which the Circular Letter is not issued, it should be understood that the exemption will start at 12:01 am on the last Friday of May and will end at 12:00 am on the next Sunday, covering a three (3) day period each year.

The following is the list of articles that will be exempt during the last weekend of May as provided in Act 20, 2022:

- containers, tanks, and reservoirs for fuel and water
- hardware, anchoring, and screws
- untreated pieces of wood and panels
- ropes and moorings
- construction zinc panels
- non-perishable food
- Water
- cleaning and sanitizing supplies
- parts and products for repair and maintenance of generators and emergency solar equipment.

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Tax Director

Collaborated in the
preparation of this article.

Meanwhile, the equipment that qualifies for the exemption under Act 20, 2022 is the following:

- portable generators whose selling price does not exceed \$3,000.
- individual batteries or battery packs (AAA batteries, AA battery, C cells, D cells, 6 volts or 9 volts)
- lamps operated with batteries or alternative energy, flashlights, candles, and matches
- emergency solar equipment
- tools such as drills, disk saws, hammers, and other equipment related to the process of securing the property.
- gas stoves and burners
- gas in cylinders and tanks
- emergency or rescue ladders
- hurricane shutters
- axes and machetes
- non-electronic can openers
- portable refrigerators to store ice and food
- fire extinguishers
- battery operated smoke or carbon monoxide detectors
- first aid kits
- containers (including plastic containers) for fuel dispatch
- ground anchoring systems or ground mooring kits
- reusable or artificial freezing items
- mobile phone batteries and mobile phone chargers
- portable radios (including battery operated), two-way radios (transmitter and receptor), and weather band radios
- fans operated with batteries or alternative energy
- portable stoves
- propane gas
- tarps or other flexible waterproof material of a similar nature

The SUT exemption for the above-listed articles and equipment during the determined period will apply to sales under installment plans known as 'Lay Away' when the final payment and the delivery of the articles are completed during the exemption period.

Rainchecks will also be valid if used during the exemption period for the acquisition of an exempt item no matter when the voucher was issued. The exemption will also apply to purchases made by correspondence, phone, email, or Internet as long as the store or platform is located in Puerto Rico and is delivered during the exemption period. Likewise, the exemption will apply to purchases made during the exemption period with gift certificates or gift cards.

The Puerto Rico Treasury Department will not require special reporting for the exempt sales made during the exemption periods. Merchants should report all the qualifying sales on the Sales and Use Tax Return as exempt sales.

We are committed to keeping you up to date with all tax-related developments. Please contact our Tax Department should additional information be required regarding this or any other tax issue. We will be glad to assist you.



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