

Puerto Rico

Standard rate

Sales and use tax: 11.5 percent on most goods and services. 10.5 percent on goods and services not subject to municipal SUT (sales and use tax).

Reduce rate

Groceries – 1%

Zero rate

- Prescription Drugs;
- School supplies acquired during the back-to-school tax-free holiday;
- Supplies used to render health services by hospital facilities;
- Supplies acquired by government agencies.

In order to claim this exemption, the merchant has to request the Certificate of Exemption to the Secretary of the Treasury.

Threshold

Puerto Rico, following 45 American states, established that businesses with a nexus are required to register with the Ministry of Finance of Puerto Rico, as well as collect and transfer sales tax to Puerto Rico.

Since 2021, if your total gross sales, in Puerto Rico in excess of one hundred thousand dollars (\$100,000) or carries out at least two hundred (200) transactions during his accounting year, then you have an economic nexus.

Registration procedure

To register online, visit Puerto Rico's Sistem Uificado De Rentas Internas (SURI) website and send the application.

Information to be provided in the Trader Registration Certificate Application:

- the legal name of the applicant (corporation, partnership, individual owner or other);
- social security number or employer identification number, if applicable;
- postal address;
- physical address;
- telephone number;
- email address;
- type of organization;
- date of registration;
- the closing date of the reporting period;
- turnover;
- a description of the activity;
- code according to the North American industry classification system.

The list can be expanded.

Tax representative

Not required.

SUT returns filing and SUT payment date

It is necessary to file a declaration and pay tax no later than the 20th day of the month following the reporting period. The reporting period is a month.

This return, and the corresponding payment, can only be filed electronically through SURI.

Penalty

The penalty for not complying with Puerto Rico's Notice and Reporting Requirements is \$100 for each transaction. Failure to file a quarterly report is \$5,000 for each failure. And failure to file the annual report is \$500 for each failure.



Keeping records

Merchants subject to the Act must keep the following for a period of no less than six years:

(i) accounting records; (ii) papers; (iii) documents; (iv) invoices; (v) commercial receipts; (vi) cancelled checks; (v) payment receipts; (vi) certificates of exemptions; (vii) shipping documents; (viii) evidence of the taxable items received, used, and sold; (viii) collection records; and (ix) any other evidence related to the sales and the amount of the sales tax withheld and paid to the Secretary of Treasury.