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TAX ALERT 2015-17

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A PUBLICATION FROM THE TAX DIVISION

GUAYNABO APPROVES AMNESTY PROGRAM FOR UNPAID MUNICIPAL LICENSE TAX



Please contact your account service partner should you have any questions or comments or if you need additional information regarding these matters.

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The Municipality of Guaynabo approved an amnesty program ("AP") for unpaid municipal license tax (*patente*). Here is what you should know.

When will the amnesty program ("AP") be available?

Initially, the AP will be available until **October 31, 2015**. After said date, it may be extended for up to a 30-day period. Taxpayers may request a 30-day extension in writing to the Municipality's Finance Director.

Who can participate in the amnesty program?

In order to be able to apply for the AP, taxpayers must submit the Volume of Business Declarations ("VOBD") for the years subject to the AP. In addition, taxpayers must have filed and paid their VOBD for year fiscal year 2015/2016.

What years will be eligible for amnesty?

All fiscal years up to fiscal year 2014/2015.

How much will I have to pay?

Under the AP, eligible taxpayers will not have to pay any interests, penalties and surcharges. In addition, eligible taxpayers shall receive a discount on the municipal license tax principal due, as follows:

Fiscal Years	Discount
Prior and up to 2005/2006	55%
From 2006/2007 to 2009/2010	35%
From 2010/2011 to 2014/2015	0%

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Additional provisions may apply to taxpayers who are currently under investigation and/or subject to collection procedures. For more information, please contact our Business Solutions Department

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Will there be an installment payment option?

Yes, a payment plan option will be available upon request and evaluation of the Finance Director. Taxpayers who apply for a payment plan will have reduced discounts on the municipal license tax due, as follows:

Fiscal Years	Discount
Prior and up to 2005/2006	50%
From 2006/2007 to 2009/2010	30%
From 2010/2011 to 2014/2015	No discount. In addition, principal will increase by 10% of applicable interests, penalties and surcharges.

Upon approval of the plan, the taxpayer shall issue an initial payment equal to 10% of the debt. The principal amount may be subject to interest, as follows:

Payment Plan Term	Annual Interest Rate
12 months or less	0%
In excess of 12 months up to 24 months	5%
In excess of 24 months up to 36 months	7%

Will there be a fee to participate?

The Municipality will collect an amnesty program fee equal to 0.5% of the total debt. However, said fee shall not be less than \$25 nor more than \$500. The charge is nonrefundable and shall not be applied to the outstanding debts.

What payment methods are available?

Payments shall be made in cash, credit card, certified (manager's) check, or money order.

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