

July 3, 2014 www.mcvpr.com**TAX ALERT*****Puerto Rico Treasury Department Issues Guidance with respect to the Procedure for Requesting Use Tax Bonded Importer Status***

On June 27, 2014, the Puerto Rico Treasury Department ("Treasury"), issued Circular Letter No. 14-03 ("CL 14-03"), setting forth the procedure for requesting bonded importer status for use tax purposes (**including use tax on imports of inventory for resale**). In an effort to simplify the process, CL 14-03 repeals the procedure set forth in Circular Letter No. 13-22 ("CL 13-22"). For more information on CL 13-22, please refer to our Tax Alert of [November 19, 2013](#).

To request bonded importer status for use tax purposes, the merchant must file an application with the Director of Treasury's Consumption Tax Bureau in the form of a letter, indicating the nature of its business and the amount of the bond to be posted. As under CL 13-22, the merchant must not have any outstanding debts with Treasury and must be in compliance with its income tax and sales and use tax returns filing obligations.

The bond shall cover an amount equivalent to the applicable use tax and an additional 25% of said amount to guarantee the payment of any surcharges, interest, penalties or administrative fines imposed to the merchant. Said 25% excess in coverage may not be used to obtain the release or to take possession of the imported property. The bond amount may be increased or decreased at the merchant's discretion, but in no event be less than \$10,000.

To access copy of CL 14-03 press [here](#).

For updates on this matter, you may contact any of the attorneys of our Tax Practice Group listed below:

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