

March 7, 2013 www.mcvpr.com**TAX ALERT*****Act 154 Excise Tax Amended***

On February 28, 2013, Governor García-Padilla signed [Act No.2-2013](#) ("Act No. 2") to amend Sections 2101 and 2102 of the Puerto Rico Internal Revenue Code of 1994, as amended ("PRIRC"), which imposes an excise tax on certain acquisitions by non-resident individuals, corporations or partnerships of products manufactured in Puerto Rico and of services related to said products by entities affiliated with the purchaser ("Excise Tax"). Act No. 2 is effective immediately.

Act No. 2 amends PRIRC Section 2101(b)(4) to provide that the Excise Tax rate for periods beginning after **June 30, 2013** and ending on or before **December 31, 2017** will be 4%. Act No. 2 thus repealed the declining Excise Tax rates of 2.75% in 2013, 2.5% in 2014, 2.25% in 2015, and 1% in 2016, and substituted them with a fixed 4% Excise Tax rate that will apply beginning **June 30, 2013** and for an additional year, until December 31, 2017. Act No. 2 is effective immediately.

In addition, Act No. 2 also amends PRIRC Section 2102 to provide that the deposit of the Excise Tax with the Puerto Rico Treasury Department will be due on or before the **13th day of the month**, following the month of the acquisition of the products or services, rather than by the 15th day of the month.

Please note that filings for collections of the Excise Tax made during the month of February 2013 will be due on **March 13, 2013**.

If you have any questions, you may call or email any of the following members of our Tax and Tax Exemption groups:

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