

(H. B. 2464)

**(No. 226)**

(Approved August 29, 2000)

## **AN ACT**

To amend Section 13 of Act No. 113 of July 10, 1974, as amended, known as the “Municipal License Tax Act,” in order to harmonize the requirements and information required from persons applying for municipal licenses.

### **STATEMENT OF MOTIVES**

Act No. 113 of July 10, 1974, as amended, better known as the “Municipal License Tax Act,” authorizes municipal assemblies to levy and collect a municipal license tax from any person who engages in any industry or business for profit within the respective municipal limits.

The Municipal License Tax Act requires that any person who commences an industry or business subject to the payment of license taxes notify the Finance Director of the corresponding municipality not later than thirty (30) days after commencing such activity. It also authorizes the Commissioner of Municipal Affairs to design and implement models and return forms for the use of Finance Directors of the municipalities, in order to obtain the required information from persons applying for a municipal license.

On their own initiative, the Finance Directors of the municipalities require certain documents in addition to the information required by the Municipal License Tax Act from persons applying for a municipal license. The information required from the prospective taxpayers varies greatly from

municipality to municipality. Taxpayers under the obligation of obtaining a municipal license in various municipalities must comply with the corresponding versions of requirements imposed on them not only by the Municipal License Tax Act, but also with the requirements that are purely local and are not provided for by any law or by regulations.

In order to facilitate commerce in Puerto Rico and to minimize the costs associated with compliance by taxpayers with the Municipal License Tax Act, the requirements to grant a municipal license should be identical in all municipalities. Otherwise, these requirements become obstacles which hamper the ability of persons to comply fully and easily with the law.

This measure has the objective of harmonizing the documents or the information required from a person in order to obtain a municipal license in the municipalities of Puerto Rico. The measure requires that the Commissioner of Municipal Affairs establish uniform requirements concerning the information to be provided by those persons who are under the obligation of obtaining a municipal license.

***BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:***

Section 1.—A second paragraph is hereby added to Section 13 of Act No. 113 of July 10, 1974, as amended, to read as follows:

“Section 13.—Starting industries or businesses subject to license tax.—

Any person who commences...

The Commissioner of Municipal Affairs shall establish through regulations, uniform requirements concerning the documentation to be submitted with the notice described in this Section. However, the authority conferred to Finance Directors of the municipalities to inspect books and

things, and to take declarations and oaths, shall not be undermined. The Finance Directors shall not impose other requirements of documentation for the initial registry that are different from those established by the Commissioner of Municipal Affairs.”

...”

Section 2.—This Act shall take effect immediately after its approval.

### **CERTIFICATION**

I hereby certify to the Secretary of State that the following Act No. 226 (H.B. 2464) of the 7<sup>th</sup> Session of the 13<sup>th</sup> Legislature of Puerto Rico:

**AN ACT** to amend Section 13 of Act No. 113 of July 10, 1974, as amended, known as the “Municipal License Tax Act”, in order to harmonize the requirements and information required from persons applying for municipal licenses,

has been translated from Spanish to English and that the English version is correct.

In San Juan, Puerto Rico, today 4<sup>th</sup> of March of 2004.

Elba Rosa Rodríguez-Fuentes  
Director