

INFORMATIVE BULLETIN NO. 98-02

ATTENTION: HOTELIERS
SUBJECT: HOTEL ROOM OCCUPANCY TAX-FEDERAL
GOVERNMENT EMPLOYEES

Section 2051 of the Puerto Rico Internal Revenue Code of 1994, as amended (Code), imposes a tax on room occupancy at hotels, motels, guesthouses and other types of lodging. The tax must be paid by the occupant when the room rent is paid, and remitted to the Secretary of the Treasury no later than the 10th day of the following month.

Although Federal Government employees, in their personal character, are not exempt from this room tax, it has been an administrative practice of this Department to exempt them from the room tax when they come to Puerto Rico to perform strictly official tasks for the United States Government, subject to certain requirements.

This exemption was not included within the provisions of the Code when it was enacted. Nevertheless, the administrative practice allowing this exemption continued.

As part of our mission of enhancing tax compliance, we have determined that it is not appropriate to allow tax benefits that are not provided under the Code. Therefore, we hereby notify you that the exemption from the room occupancy tax that was administratively allowed to federal employees will no longer be granted.

Effective Date: The provisions of this Informative Bulletin will be effective with respect to taxes imposed on or after June 1, 1998.

Remember, in Hacienda we are at your service.

Cordially,

Xenia Vélez Silva