

Puerto Rico Sales Tax (IVU) Free Holiday
Jul 2017
BACK TO SCHOOL

Summary

General Overview:

- The IVU tax free holiday will commence at 12:00 midnight on **Friday, July 14, 2017** and conclude at 11:59 pm on **Saturday, July 15, 2017**.
- A second IVU tax free holiday will commence at 12:00 midnight on Thursday, January 4, 2018 and conclude at 11:59 pm on Friday, January 5, 2018.
- The Treasury Department's Regulation provides sales tax relief on certain purchases of school supplies, particularly uniforms and art, music and educational school supplies sold at retail, as well as storage media.
- The tax free items as defined in §4030.20(b) of the Internal Revenue Code, as amended, and Treasury Department Regulation 16-04 refers to items purchased at retail for use by students. Items not expressly listed in the law are fully taxable.

Exemptions:

Year Round Sales Tax Exempt Items:

Printed textbooks of cultural, artistic or scientific nature are classified as sales tax exempt all year round. This exemption does **not** apply to e-books, magazines and newspapers.

Sales Tax Holiday Qualifying Items:

The following items can be sold exempt of sales tax during the sales tax holiday period. It should be noted that the law states this is an exhaustive list:

School Supplies

- Adhesive Tape
- Binders
- Book bags or school bags
- Calculators
- Chalk
- Compasses

- Crayons
- Erasers
- Folders (including accordion, expandable, plastic and manila folders/enclosures)
- Glue, adhesives, and glue sticks
- Highlighters
- Index cards
- Index card boxes
- Lunchboxes/lunch bags
- Markers
- Paper (loose leaf, ruled filler, copy, graph, tracing, manila, color, construction)
- Pencil cases/boxes and other school supply cases/boxes
- Pencil sharpeners
- Pencils
- Pens
- Poster boards
- Protractors
- Rulers
- School uniforms (*details, exceptions and definition omitted as these are not sold at Office Depot PR stores*)
- Scissors
- Storage media, including discs, compact discs, and flash drives

Art or music school supplies, educational school supplies used by a student in art or music classes, or used as reference to learn the subject taught which only include the following:

- Clay and glazes
- Earth globes
- Maps
- Musical instruments
- Paintbrushes for art work
- Paints, including acrylic, tempera, and oil paints;
- Sketchbooks and drawing books
- Watercolors

Guidelines:

Mail, Phone, E-Mail and Internet – When an item is sold by mail, phone, e-mail, or on the Internet, the sale qualifies for the exemption when the item is paid by and delivered to the buyer during the exemption period; or when ownership of the item is transferred to the buyer and delivery is made to the buyer during the exemption period. Items that are pre-ordered and delivered to the buyer during the exemption period shall qualify for exemption.

Gift Certificates and Gift Cards – Items purchased during the exemption period using a gift certificate or gift card shall qualify for exemption regardless of when the gift certificate or gift card was bought. Items purchased after the exemption period using a gift certificate or gift card are taxable even if the gift certificate or gift card was bought during the exemption period.