

### *Municipality of Ponce – Additional 5% Early Payment Discount in the Volume of Business Declaration*

On February 19, 2013, the Mayor of the Municipality of Ponce, Hon. María E. Melendez Altieri, signed Ordinance No. 53, Series 2012-2013, (the “Ordinance”) providing an additional 5% discount to all taxpayers who file the 2013-2014 Volume of Business Declaration and pay the totality of the municipal license tax on or before March 15, 2013. The special discount provided by the Ordinance is computed over the total municipal license tax to be paid and is in addition to any other discount provided by the Municipal License Tax Act, as amended, or any other ordinance.

The Ordinance also provides that the taxpayer should file all the complementary documents (i.e., audited financial statements, income tax returns, etc.) to the Volume of Business Declaration on or before April 23, 2013 or, if an extension has been granted, any other date before the due date of such extension. This clause may be the source of great confusion since it is the usual procedure to file the complementary documents together with the Volume of Business Declaration and not in a separate filing.

The Ordinance is a great opportunity for those taxpayers with operations in the Municipality of Ponce to reduce its total tax liability. However, there are still some questions without clear answers. For example, should the discount be computed before or after the prompt payment discount provided in the Municipal License Tax Act?

We, at Zaragoza & Alvarado, will gladly assist you in answering those questions and help you determine if this opportunity is right for you.

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