

## ***New Collection Mechanism For The Sales & Use Tax (SUT)***

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In order to increase revenues from the Sales and Use Tax (SUT) in 72% and generate an increase of approximately \$400 million dollars over a period of 3 years and as part of the new tax reform, the SUT Lottery is implemented:



In addition to increase revenues, this mechanism seeks to:

- ✓ Increase the monthly filing of the sales and use tax return.
- ✓ Improve controls using technology to implement better fiscal and audit mechanisms.
- ✓ Improve profits through the SUT.

### **How the SUT Lottery will work for merchants/sellers?**

Every merchant will use an electronic device in the point of sale currently used; once certified by the Treasury Department or an electronic device that the Treasury Department will provide.



The Treasury Department in a joint effort with Softek and Evertec, will provide the electronic device according to business needs. This investment will not represent a direct cost to the merchant, as Treasury Department will assume the

cost, that will be compensated by the projected increase in revenues.

The device will be connected to Treasury Department and directly inform the amount of sales and claimed sales tax.

In order to participate in the SUT Lottery, the device will submit the invoice with the lottery numbers.

### **¿How will the SUT lottery work for consumers?**

To participate in the raffle, the consumer must request the sales receipt; this receipt will make you eligible to participate in the lottery. The sales receipt must be printed and read as follows:



The number of the SUT lottery will be identified on the bottom of the receipt in the following form:

Line 1: SUTLOTO: XXXXX-XXXXX  
Line 2: XXDRAW999MMM/DD/YY

Line one will consist of a combination of 10 characters between numbers and letters.

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For the consumer, it is very important to request the sale receipt. **Any merchant that don't issue a sale receipt at the time of sale, could be reported by the consumer to Treasury Department through a phone number provided on website [www.hacienda.gobierno.pr](http://www.hacienda.gobierno.pr)**

*The Prize will be  
¡TAX FREE!*

**When will the SUT lottery be effective?**

**In addition, it is expected that the fine for the merchant may be up to \$20,000.**

Currently, the Treasury Department is carrying out an implementation plan, which includes the implementation of a pilot program in the municipality of Ponce. This municipality was selected based on economic criteria.

**Which businesses are eligible to use the SUT lottery?**

The businesses eligible range from department stores that have computer systems to small business such as hot dogs cars, etc. In addition, the merchants that accept all payment methods, including cash.

For this pilot program, a sample of 200 merchants where chosen and will start from December 1, 2010 to December 31, 2010.

The most common transactions that will applied for SUT lottery are cash transactions; credit card or debit, gift cards, coupons (PAN) no matter if sales tax is retain.

However, the implementation is expected for the remaining of the merchants during 2011.

Coming soon they will be giving instruction for all businesses to register through the internet website of the SUT lottery:

**When will the SUT lottery raffle be?**

The raffle will be conducted at the time of the electronic lottery through TV channels 6 and 3.



**How much will be the amount of the SUT lottery prize?**

The amount of the prize will be announced soon, but could reach one thousand dollars (\$1,000) and even a car. The prizes could be weekly or monthly.

For additional information regarding the SUT lottery go to [www.hacienda.gobierno.pr](http://www.hacienda.gobierno.pr) and follow the link of SUT lottery where you will find publications regarding this project.



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