



New Electronic Requirement for Real Property Tax Payments

By Vicente Cajigas-Campbell

On June 2, 2015, the Municipal Revenue Collection Center (“MRCC”) issued Administrative Order 2015-07 (“AO 2015-07”) to notify the taxpayers of the requirement to make certain real property tax payments by electronic means.

Background

Article 3.41 of the Property Tax Act, as amended, provides that “the tax levied on the value of real property shall be payable in advance every semester to the Collection Center or its authorized representative on the first of July and January of each year”. Historically, most of these real property tax payments have been made personally at the MRCC premises or by mail using the corresponding payment voucher. The payment methods that were accepted by the MRCC for these payments were: Cash, ATM, Credit Card, Check, and Money Order or Manager’s Check.

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AO 2015-07

AO 2015-07 introduced a new requirement to make real property tax payments electronically. This order provides that every taxpayer that has real property subject to tax, **with the exception of residential property**, shall be required to pay such real property tax electronically through the MRCC's portal: www.crimpr.net. AO 2015-07 also provides that these payments can be made by ACH Credit or Wire Transfer (although AO 2015-07 does not detail the other forms of electronic payments that they will be accepting, most probably taxpayers will be able to pay using credit cards and ACH Debit on their portal). This new electronic payment requirement applies to real property tax payments corresponding to the fiscal year 2015-2016 and thereafter, commencing with the amount payable in July 2015.

On the other hand, taxpayers that are not required to make real property tax payments electronically (i.e. owners of residential property) are being encouraged by the MRCC to make the payments by electronic means.

Taxpayers that choose to make the electronic payments by ACH Credit or Wire Transfer must send an electronic mail to crimwirereal@crimpr.net including the following information:

- Payment confirmation obtained on the MRCC portal;
- Parcel Identification Number ("PIN") of the property and related tax period.

If the payment is being made for multiple properties, the taxpayer must include the following information for each PIN:

- Related tax period;
- Payment amount;
- Owner's name.

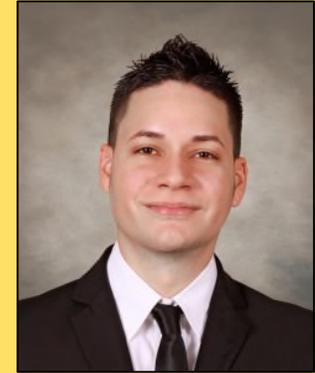
ATBA Comments

During the last year, the MRCC has been transitioning its personal property tax filing

and payment system to an electronic system. As such, this new electronic payment requirement for real property tax does not take us by surprise. Please keep in mind that the MRCC will not be accepting checks to cover business related real property taxes for fiscal years 2015-2016 and thereafter. Thus, we suggest reviewing your accounts payable policies and procedures to ensure compliance with AO 2015-07. Please call us if you have any questions regarding this new requirement.

ABOUT THE AUTHOR

Vicente Cajigas-Campbell



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Vicente is a Manager at Alvarado Tax & Business Advisors. Before joining the firm he worked as Tax Senior Consultant at Deloitte Tax LLP where he provided tax compliance and consulting services to several multinational clients. His Curriculum Vitae includes experience in the corporate and individual tax advisory practice representing clients before the Puerto Rico Treasury Department on complex cases as well as also participated in the development of Closing Agreements with different governmental agencies.

With regards to specific areas of technical expertise, Vicente provides corporate and individual tax services for clients in the retail, manufacturing, and service industries, among others. At present, he manages an outsourcing division in our Firm providing finance and accounting services to local and international business entities doing business in Puerto Rico.

Vicente is member of the Puerto Rico Certified Public Accountants Society and the American Institute of Certified Public Accountants. He is also Certified in Financial Forensics and is a Chartered Global Management Accountant. He has a Bachelor degree in Business Administration, major in Accounting and Marketing from the University of Puerto Rico.

