

June 17, 2016

Tax Update

Treasury Issues Guidance on SUT Exemption of E-Books

Section 4030.20 of the Puerto Rico Internal Revenue Code of 2011, as amended, exempts from the application of the sales and use tax (the "SUT") all **printed books**. For these purposes, the Code defines the term **printed books** as any printed unitary publication, not periodic, that is edited once or by intervals, in one or more volumes or parts thereof, of scientific, cultural or artistic character, excluding publications by electronic means, magazines and newspapers.

On June 10, 2016, the Puerto Rico Treasury Department ("Treasury") issued Administrative Determination No. 16-10 ("AD 16-10") to extend the "printed books" exemption to include those electronic school textbooks that are required by an official list of a university or schools books, purchased at retail. This exemption includes music textbooks and notebooks regardless of their size.

Note that the above exemption applies for purchases of these items throughout the whole year, not only the Back-to-School Tax Free Holidays. You can find additional information on the Back-to-School Tax Free Holidays in our June 3, 2016 Legal Update available [here](#).

You may access AD 16-10 (in Spanish) [here](#).

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