

(H. B. 1578)  
(Conference)

**(No. 42)**

(Approved August 1, 2005)

**AN ACT**

To add a subsection 4 to Section 23.02(a) of Act No. 22 of January 7, 2000, as amended, known as the “Puerto Rico Vehicle and Traffic Act,” in order to establish that luxury cars for private use with a sales price of forty thousand dollars or more shall pay the annual license fees established in the referred Section in accordance with the sales price; and to renumber Subsections 4, 5, 6 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, and 39 as subsections 5, 6 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, and 40 respectively; and to add Sections 1.07, 1.08, 1.12-A, 1.84, and 184-A to Chapter I of said Act; and to renumber Sections 1.07, 1.08, 1.09, 1.10, 1.11, 1.12, 1.13, 1.14, 1.15, 1.15-A, 1.16, 1.17, 1.17-A, 1.18, 1.19, 1.19-A, 1.20, 1.21, 1.21-A, 1.22, 1.23, 1.23-A 1.24, 1.24-A, 1.25, 1.26, 1.26-A, 1.27, 1.28, 1.29, 1.30, 1.31, 1.32, 1.32-A, 1.33, 1.34, 1.35, 1.36, 1.37, 1.38, 1.39, 1.40, 1.41, 1.41-A, 1.42, 1.43, 1.44, 1.45, 1.46, 1.47, 1.48, 1.49, 1.50, 1.51, 1.52, 1.53, 1.54, 1.55, 1.56, 1.57, 1.58, 1.59, 1.60, 1.61, 1.62, 1.63, 1.64, 1.65, 1.66, 1.67, 1.68, 1.69, 1.70, 1.71, 1.71-A, 1.72, 1.73, 1.74, 1.74-A, 1.75, 1.76, 1.77, 1.78, 1.79, 1.80, 1.81, 1.82, 1.83, 1.84, 1.85, 1.86, 1.87, 1.88, 1.89, 1.90, 1.91, 1.91-A, 1.92, 1.93, 1.94, 1.95, 1.96, 1.97, 1.98, 1.99, 1.00, 1.001, 1.002,1.003, 1.004, 1.005, 1.006, 1.007, 1.007-A, 1.008, 1.009, 1.110, 1.111, 1.112, 1.113, 1.114, 1.115, 1.116, 1.117, 1.118, 1.119, 1.120, 1.121, 1.122, 1.123 as Sections 1.09, 1.10, 1.11, 1.12, 1.13, 1.14, 1.15, 1.15-A, 1.16, 1.17, 1.17-A, 1.18, 1.19, 1.19-A, 1.20, 1.21, 1.21-A, 1.22, 1.23, 1.23-A 1.24, 1.25, 1.25-A, 1.26, 1.26-A, 1.27, 1.28, 1.28-A, 1.29, 1.30, 1.31, 1.32, 1.33, 1.34, 1.34-A, 1.35, 1.36, 1.37, 1.38, 1.39, 1.40, 1.41, 1.42, 1.43, 1.43-A, 1.44, 1.45, 1.46, 1.47, 1.48, 1.49, 1.50, 1.51, 1.52, 1.53, 1.54, 1.55, 1.56, 1.57, 1.58, 1.59, 1.60, 1.61, 1.62, 1.63, 1.64, 1.65, 1.66, 1.67, 1.68, 1.69, 1.70, 1.71,

1.72, 1.73, 1.73-A, 1.74, 1.75, 1.76, 1.76A, 1.77, 1.78, 1.79, 1.80, 1.81, 1.82, 1.83, 1.85, 1.86, 1.87, 1.88, 1.89, 1.90, 1.91, 1.92, 1.93, 1.94, 1.94-A, 1.95, 1.96, 1.97, 1.98, 1.99, 1.100, 1.101, 1.102, 1.103, 1.104, 1.105, 1.106, 1.107, 1.008, 1.109, 1.110, 1.110-A, 1.111, 1.112, 1.113, 1.114, 1.115, 1.116, 1.117, 1.118, 1.119, 1.120, 1.121, 1.122, 1.123, 1.124, 1.225, 1.226, respectively; to establish the functions of the Secretary of the Department of Transportation and Public Works; and for other purposes.

### **STATEMENT OF MOTIVES**

The purchase of automobiles in Puerto Rico has increased dramatically in recent years. Statistical data of the Department of Transportation and Public Works (DTOP, Spanish acronym) indicates that from 1980 to 2004, the increase in the number of registered automobiles has been of one point five (1.5) million. As of 2004, two million six hundred ninety five thousand seven hundred and fifty-seven (2,695,757) cars were registered at the Department of Labor and Public Works. In the past five (5) years, two million five hundred thirty-nine thousand one hundred and ninety-eight (2,539,198) car owners have paid annual license fees.

Section 23.02(a)(1) of Act No. 22 of January 7, 2000, as amended, known as the "Puerto Rico Vehicle and Traffic Act," establishes that all public or private motor vehicles shall pay forty (40) dollars for license fees. This license fee payment applies to all motor vehicles regardless of their sales price.

In view of the present fiscal crisis of the Government of Puerto Rico, it is necessary to increase the license fee to be paid, which shall be applied in a staggered manner to all private luxury automobiles. That is, those automobiles with sale prices of forty thousand (40,000) dollars or more.

**BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:**

Section 1.- Chapter I of Act No. 22 of January 7, 2000, as amended, known as the “Puerto Rico Vehicle and Traffic Act,” is hereby amended and the following Sections are hereby renumbered to read as follows:

“Section 1.01.- Short Title.

This Act shall be known and may be cited as the “Puerto Rico Vehicle and Traffic Act.”

Section 1.02.- Definitions

The following terms shall have the meanings stated hereinbelow, except as otherwise clearly indicated by the context.

Section 1.03.- ...

Section 1.04.- ...

Section 1.05.- ...

Section 1.06.- ...

Section 1.07.- Automobile Year

Means the year of the model of the automobile

Section 1.08.- Excise Taxes

Means the excise taxes applicable to automobiles as established by Section 2014 of Act No. 120 of October 31, 1994, as amended, known as the “Internal Revenue Code of 1994.”

Section 1.09.- ...

Section 1.10.-

Section 1.11.-

Section 1.12.-

Section 1.12-A.- Luxury Automobile

Means any automobile as defined by Section 1.12 of this Act and which has a sale price of forty thousand (40,000) dollars or more for private use.

Section 1.13.- ...

Section 1.14.- ...

Section 1.15.- ...

Section 1.16.- ...

Section 1.17.- ...

Section 1.17-A.- ...

Section 1.18.- ...

Section 1.19.- ...

Section 1.19-A.- ...

Section 1.20.- ...

Section 1.21.- ...

Section 1.21-A.- ...

Section 1.22.- ...

Section 1.23.- ...

Section 1.23-A.- ...

Section 1.24.- ...

Section 1.25.- ...

Section 1.25-A.- ...

Section 1.26.- ...

Section 1.26-A.- ...

Section 1.27.- ...

Section 1.28.- ...

Section 1.28-A.- ...

Section 1.29.- ...

Section 1.30.- ...

Section 1.31.- ...

Section 1.32.- ...

Section 1.33.- ...

Section 1.34.- ...

Section 1.34-A.- ...

Section 1.35.- ...

Section 1.36.- ...

Section 1.37.- ...

Section 1.38.- ...

Section 1.39.- ...

Section 1.40.- ...

Section 1.41.- ...

Section 1.42.- ...

Section 1.43.- ...

Section 1.43-A.- ...

Section 1.44.- ...

Section 1.45.- ...

Section 1.46.- ...

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Section 1.68.- ...

Section 1.69.- ...

Section 1.70.- ...

Section 1.71.- ...

Section 1.72.- ...

Section 1.73.- ...

Section 1.73-A.- ...

Section 1.74.- ...

Section 1.75.- ...

Section 1.76.- ...

Section 1.76-A.- ...

Section 1.77.- ...

Section 1.78.- ...

Section 1.79.- ...

Section 1.80.- ...

Section 1.81.- ...

Section 1.82.- ...

Section 1.83.- ...

Section 1.84.- Taxable Price in Puerto Rico

Means the price as defined in Section 2001 of Act No. 120 of October 31, 1994, as amended, known as the “Puerto Rico Internal Revenue Code of 1994.”

Section 1.184-A.- Sales Price

Means the taxable price of the automobile in Puerto Rico, plus the corresponding amounts on account of excise taxes.

Section 1.85.- ...

Section 1.86.- ...

Section 1.87.- ...

Section 1.88.- ...

Section 1.89.- ...

Section 1.90.- ...

Section 1.91.- ...

Section 1.92.- ...

Section 1.93.- ...

Section 1.94.- ...

Section 1.94-A.- ...

Section 1.95.- ...

Section 1.96.- ...

Section 1.97.- ...

Section 1.98.- ...

Section 1.99.- ...

Section 1.100.- ...

Section 1.101.- ...

Section 1.102.- ...

Section 1.103.- ...  
Section 1.104.- ...  
Section 1.105.- ...  
Section 1.106.- ...  
Section 1.107.- ...  
Section 1.008.- ...  
Section 1.109.- ...  
Section 1.110.- ...  
Section 1.110-A.- ...  
Section 1.111.- ...  
Section 1.112.- ...  
Section 1.113.- ...  
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Section 1.116.- ...  
Section 1.117.- ...  
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Section 1.122.- ...  
Section 1.123.- ...  
Section 1.124.- ...  
Section 1.125.- ...  
Section 1.126.- ...”



Section 2.- A subsection (4) is hereby added to Section 24.02(a) of Act No. 22 of January 7, 2000, as amended and its following subsections are hereby renumbered to read as follows:

“Section 23.02.- Fees to be paid

Regarding the fees to be paid under this Act, the following standards shall be followed:

- (a) The following fees shall be paid for the following vehicles:
- (1) Forty (40) dollars per year for each public or private service automobile registered for the first time after the date of effectiveness of this Act.
  - (2)...
  - (3)...
  - (4) For luxury automobile, the fees to be paid shall be those established in subsection (1) of this Section and an additional fee under the following standards:

**AUTOMOBILE YEAR**

SALES PRICE	2001	2002	2003	2004	2005	2006
\$40,000-\$46,750	\$180	\$200	\$220	\$240	\$260	\$280
\$46,751-\$53,500	\$300	\$320	\$340	\$360	\$380	\$400
\$53,501-\$66,430	\$420	\$440	\$460	\$480	\$500	\$520
\$66,431-\$73,430	\$540	\$560	\$580	\$600	\$620	\$640
\$73,431-\$80,430	\$660	\$680	\$700	\$720	\$740	\$760
\$80,431-\$87,430	\$780	\$800	\$820	\$840	\$860	\$880
>\$87,430	\$900	\$920	\$940	\$960	\$980	\$1,000

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Section 3.- A period of six (6) years is hereby established for the applications of this additional fee to luxury automobiles for private use. The usual automobile financing term fee shall be used as reference for the application of this fee.

Section 4.- The sale price shall be used as a base to compute the fees to be paid for luxury automobiles for private use.

#### Section 5.- Functions of the Secretary

The Secretary of the Department of Transportation and Public Works (DTOP, Spanish acronym), in addition to the authority, powers, and duties conferred on by other laws, shall review every June 1<sup>st</sup> of every fiscal year the applicable years for this fee, and shall establish the necessary regulations to calculate and collect the annual fee of luxury automobiles.

#### Section 6.- Effectiveness

This Act shall take effect on July 1, 2005 and its effectiveness shall be subject to the enactment of House Joint Resolution No. 445 of the General Budget for fiscal year 2005-2006. This Act shall be in effect until June 30, 2007.

## CERTIFICATION

I hereby certify to the Secretary of State that the following Act No. 42 (H.B. 1578) (Conference) of the 1<sup>st</sup> Session of the 15<sup>th</sup> Legislature of Puerto Rico:

**AN ACT** to add a subsection 4 to Section 23.02(a) of Act No. 22 of January 7, 2000, as amended, known as the “Puerto Rico Vehicle and Traffic Act,” in order to establish that luxury cars for private use with a sales price of forty thousand dollars or more shall pay the annual license fees established in the referred Section in accordance with the sales price; and to renumber Subsections 4, 5, 6 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, and 39 as subsections 5, 6 7, etc,

has been translated from Spanish to English and that the English version is correct.

In San Juan, Puerto Rico, today 9<sup>th</sup> of February of 2006.

Francisco J. Domenech  
Director