

(H. B. 279)

(No. 19)

(Approved January 23, 2006)

AN ACT

To amend Section 2.02 of Act No. 83 of August 30, 1991, as amended, in order to clarify that the surviving spouse who continues to live in the property of which he/she is the titleholder, shall continuously keep the tax exemption for residential purposes.

STATEMENT OF MOTIVES

The Municipal Revenue Collection Center deems that upon the death of the spouse to whom the real property tax exemption is granted for residential purposes, the surviving spouse must request a new exemption even when he/she continues to live in the property and the estate of the decease remains undistributed.

In Puerto Rico, the distribution of the estate is not usually made until the surviving spouse dies, since the children respect his/her residence. The application of this interpretation does not recognize the property rights of the surviving spouse to whom the property lawfilled belongs by more than fifty percent. (Half of the conjugal partnership plus the usufruct of the widower if there is will which grants a greater part of the residuary clause to the spouse.)

It is necessary to clarify these cases in the law, so that they do not become a onerous burden to the surviving relative and to do justice by

recognizing a favorable family tradition worthy of admiration for the generosity of lesser heirs.

BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:

Section 1.-Section 2.02 of Act No. 83 of August 30, 1991, as amended, is hereby amended to read as follows:

“Section 2.02.- Special Tax for Amortization and Redemption of General Obligations of the Commonwealth and Municipalities; Exemptions.”

A special tax of one point zero three (1.03) per annum on the appraised value of all personal and real property in Puerto Rico not exempted from taxes is hereby levied for the 1992-93 fiscal year and for each subsequent year, for the amortization and redemption of the general obligations of the Commonwealth. Furthermore, the municipalities are authorized and empowered to levy another additional surtax subject to the requirements established in the Act No. 4 of April 25, 1962, as amended. This additional surtax shall be in addition to all other taxes imposed by virtue of other laws in effect. The Municipal Revenues Collection Center is hereby empowered and directed to annually collect these and any other property taxes authorized by law.

The owners of property for residential purposes are hereby exempt from the payment of the special tax and the basic tax levied by virtue of Sections 2.01 and 2.02 of this Title and the property taxes levied by the Municipalities of Puerto Rico corresponding to 1992-93 year and to each subsequent fiscal year in an amount equivalent to the tax levied on said properties for up to fifteen thousand (\$15,000) of the appraised value of the property subject to the provisions of Section 2.07 of this Title. In the case of properties partially devoted to residential use, the exemption from payment

of said taxes which would otherwise be due shall be recognized only as to that portion of the property devoted to such purposes for up to an amount equal to fifteen thousand (15,000) dollars of its value.

In the case of properties for residential purposes, both, the husband and wife shall be deemed as owners and beneficiaries of this exemption, and taxpayers, and in the event of the death of any of the spouses, the surviving spouse shall continuously keep the exemption without having to apply for a new exemption, provided that he/she is the original titleholder.

It is hereby provided, that in order to keep the above exemption, the surviving spouse shall be bound to comply with all the requirements of this Act, particularly with those regarding the use of the property subject to the abovementioned exemption for residential purposes.

In the case of veterans, the exemption from payment of taxes granted by the provisions of this Section shall be computed after...”

Section 2.- This Act shall take effect immediately after its approval.

CERTIFICATION

I hereby certify to the Secretary of State that the following Act No.19 (H.B.279) of the 3rd Session of the 15th Legislature of Puerto Rico:

AN ACT amend Section 2.02 of Act No. 83 of August 30, 1991, as amended, in order to clarify that the surviving spouse who continues to live in the property of which he/she is the titleholder, shall continuously keep the tax exemption for residential purposes,

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

In San Juan, Puerto Rico, today 16th of August of 2006.

Francisco J. Domenech
Director