

# TOURISM

## *Incentives*

### **NON FISCAL INCENTIVES**

- Access to the development programs, technical advisory services and promotional activity from the Costa Rican Tourism Board (ICT)
- Permission to use the term tourist or tourism in advertising.
- Permission to apply for a category F license (no limit on business hours) from the corresponding municipality.
- In the case of eating establishments that cater to tourists, the corresponding municipality, after careful study of opportunities and convenience, may forego the requirements stipulated in clause a) of the Implementing Regulations of the Liquor Law, and grant the license.
- Participation in international fairs within the Costa Rican Tourism Institute stand.

### **FISCAL INCENTIVES**

Fiscal incentives are regulated by the Law on Incentives for the Development of Tourism N° 6990, Article 7. These incentives vary depending on the type of activity authorized by law: lodging, air transportation, aquatic transportation, travel agencies (receptive tourism), and vehicle rental companies.

#### **Hotel Industry**

Exemption from all taxes and surcharges applied to the importation or local purchase of articles indispensable to the operation or installation of new companies, or of existing companies, which offer new services, as well as for the construction, expansion or remodeling of the respective structure. This exemption excludes the exemption of sales taxes, except in the case of the initial investment to acquire indispensable items and materials for the construction of the facilities destined to set each project in operation. The additions, expansions, transformations, or acquisition of equipment will not be subject to the payment of said tax

Other incentives include:

- Accelerated depreciation of assets, which, given their use and nature, wear out more quickly.
- Issuance of municipal licenses within a maximum of thirty calendar days after presentation of the application.
- Authorization from the Central Bank for Costa Rican hotels serving international tourists to accept foreign currency from tourists.
- Exemption from the real estate tax for up to six years.

#### **International and National Air Transportation**

- Accelerated depreciation pursuant to the Income Tax Law.
- Provision of fuel at a competitive price
- Exemption of all taxes and surcharges on the importation or local purchase of spare parts for the operation of the aircraft.

#### **Aquatic Tourist Transportation**

- Exemption from all taxes and surcharges applied to the importation or local purchase of goods indispensable to the construction, expansion or remodeling of piers and other facilities used for the embarkation and disembarkation of tourists, as well as for the construction and maintenance of marinas and spas destined to the attention of tourism.
- Accelerated depreciation in accordance with the Income Tax Law.
- Exemption from all taxes and surcharges, except customs duties, which are set at twenty percent (20%), for the importation or local purchase of watercraft.

**Receptive Tourism Travel Agencies**

- Exemption from all taxes and surcharges, except customs duties (5%), on the importation of vehicles with a minimum capacity to transport at least 15 passengers.

**Vehicle Rental Agencies (Rent a Car)**

- Exemption from fifty percent (50%) of the total amount derived from the application of taxes currently in force on the importation of motor vehicles to be used exclusively for rental to tourists. The vehicles exonerated under this law must be replaced every three years.

Source: Investor's Manual.

<http://www.tramites.go.cr/manual/english/default.htm>