To provide revenues for the Commonwealth of Puerto Rico by levying certain excises on the introduction, use, consumption, sale, acquisition, and transfer, in Puerto Rico, of certain commodities, and fixing license duties and/or fees on certain shows, businesses, or other activities; to grant certain exemptions; to establish the scope of said exemptions; to authorize reimbursements for making such exemptions effective; to repeal certain existing excise and license-tax laws; to appropriate funds for the implementation of this act, and for other purposes.

Be it enacted by the Legislature of Puerto Rico:

CHAPTER I. SHORT TITLE AND DEFINITIONS

SECTION 1.—Short Title

SECTION 2.—Effect of Definitions

SECTION 3.—List of Definitions

SECTION 4.—General Definitions

SECTION 1.—Short Title

The short title of this act shall be “Excise Act of Puerto Rico”.

SECTION 2.—Effect of Definitions

The definition of terms stated in section 4, or incorporated by cross reference in section 3, shall control except where otherwise distinctly expressed or where application of definition is manifestly incompatible with legislative intent.

SECTION 3.—List of Definitions

Automobile: For the purpose of tax on automobiles, trucks, etc.—Section 34

Truck: For the purpose of tax on vehicles—Section 34

“Cost at Factory”—Section 55 (c)

“Cost in Puerto Rico”—Section 55 (b)

Admission fees—Section 41 (e)

Retail Dealer (Retailer)—Section 45

Para proveer rentas para el Estado Libre Asociado de Puerto Rico mediante la imposición de ciertas contribuciones sobre la introducción, uso, consumo, venta, adquisición y traspaso, en Puerto Rico, de ciertos artículos, y mediante la fijación de impuestos y/o derechos de licencias sobre determinados espectáculos, negocios, u otras actividades; otorgar ciertas exenciones; establecer el alcance de dichas exenciones; autorizar reintegros para darle efectividad a tales exenciones; derogar ciertas leyes vigentes sobre arbitrios y licencias; asignar ciertos fondos para la implantación de esta ley y para otros fines.

Decrétese por la Asamblea Legislativa de Puerto Rico:

CAPITULO I. TÍTULO CORTO Y DEFINICIONES

ARTÍCULO 1.—Título Corto.

ARTÍCULO 2.—Efecto de las Definiciones.

ARTÍCULO 3.—Relación de las Definiciones.

ARTÍCULO 4.—Definiciones Generales.

ARTÍCULO 1.—Título Corto

El título corto de esta Ley será “Ley de Impuestos sobre Artículos de Uso y Consumo de Puerto Rico”.

ARTÍCULO 2.—Efecto de las Definiciones

Los términos definidos en el artículo 4, o incorporados por referencia en el artículo 3, prevalecerán excepto en aquellos casos en que se exprese claramente de otro modo, o cuando la aplicación de la definición sea manifestamente incompatible con la intención legislativa.

ARTÍCULO 3.—Relación de las Definiciones

Automóvil: A los efectos del impuesto sobre automóviles, camiones, etc.—Artículo 34

Camión: A los efectos del impuesto sobre vehículos—Artículo 34

“Costo en Fábrica”—Artículo 55 (c)

“Costo en Puerto Rico”—Artículo 55 (b)

Derecho de Admisión—Artículo 41 (e)
(1) films not over 16 millimeters wide, for educational or recreational purposes, to be exhibited in homes, orphanages, or nonprofit institutions keeping inmates, if no admission is charged directly or indirectly for the exhibition;

(2) films to promote the sale of war bonds or similar securities, or to train the people in civil defense;

(3) films introduced or acquired by anti-tuberculosis, cardiological, anti-venereal, or oncological organizations and organizations for the prevention of poliomyelitis, if the films are used exclusively and permanently for education in public health;

(4) films to be used solely in the transmission of television programs by television stations in Puerto Rico, for the period prior to July 1, 1958; or

(5) newsreels on current events, not over one thousand (1,000) feet long.

SECTION 29.—MATCHES.

The tax on matches, at the rate prescribed in section 10, shall apply to matches of any kind.

SECTION 30.—GASOLINE.

(a) Articles Taxed. The tax on gasoline, at the rate prescribed in section 10, shall apply to all gasoline, except as provided in subsection (b) below.

(b) Sales and Articles Not Taxed. The tax on gasoline shall not apply to:

(1) Sales or transfers to the United States of America, its agencies or instrumentalities, and the National Guard of Puerto Rico, for their exclusive use. Individual deliveries of 5,000 or more gallons of gasoline made or that may be made on and after July 24, 1955, to the Commonwealth of Puerto Rico or any of its instrumentalities or political subdivi-
sions for their exclusive use and consumption, are likewise exempt.

The Secretary of the Treasury is hereby empowered to refund any tax paid on gasoline supplied on and after July 24, 1955, in individual deliveries of 5,000 or more gallons to the Commonwealth of Puerto Rico or any of its instrumentalities or political subdivisions for their exclusive use and consumption, provided the tax has not been passed on in the selling price of the product. The tax refund authorized by this paragraph shall be made solely to the person or entity that shows, to the satisfaction of the Secretary of the Treasury, that he or it has borne the financial burden of the tax, even though such person or entity be other than the one that paid the tax into the treasury. This right to reimbursement may be exercised only by the introducer and/or wholesale distributor.

(2) gasoline distributed for use outside of Puerto Rico, including sea and air voyages between Puerto Rico and other places;

(3) gasoline which, before or upon being pumped from a ship to tanks or installations in Puerto Rico, shall have become contaminated with water or other products and thereby rendered not commercially saleable or usable. This provision shall apply only if the contamination was accidental, not involving any negligence on the part of the introducer or his agents or employees, and if the facts are capable of visual verification by commonwealth fiscal officers or officers of the United States Customs Service.

SECTION 31.—TIRES AND TUBES.

(a) Articles Taxed. The tax on tires and tubes, at the rate prescribed in section 10, shall apply to all pneumatic tires, inner tubes therefor, and solid tires for any vehicle, including bicycles and motorcycles, except as provided in subsection (b) below.