



Costa Rica

In Costa Rica, VAT is called “Impuesto al Valor Agregado”, abbreviated IVA.

VAT Standard rate

The general VAT rate in Costa Rica is 13% is applies on services offered through digital platforms and/or internet or intangible goods, when the suppliers or intermediaries are non-resident, and they are consumed or enjoyed within the national territory.

VAT registration threshold

There is no VAT registration threshold in Costa Rica.

Deductible VAT

If an individual is a taxpayer, the amount of VAT paid to a card issuer, supplier or intermediary on the purchase of goods or services may be used as a tax deduction. Consumers of digital services and/or intangible goods may use invoices issued by suppliers or intermediaries located abroad, the bank card statement from which the service or intangible good was paid for, or any equivalent document obtained in English or Spanish, to prove their purchases.

Pieces of evidence

The determination of the consumption location for digital services involves one or more methods. A consumption location is deemed to be in Costa Rica when:

The address corresponds to a location within Costa Rica;
In the case of intermediaries, when the final service provider is located in Costa Rica;
The location of the customer's fixed land line through which the digital service is provided to the customer, corresponds to Costa Rica;
The Internet Protocol (IP) address of the electronic device corresponds to a location in the territory of Costa Rica;
The Mobile Country Code (MCC) of the International Mobile Subscriber Identity (IMSI) stored in the Subscriber Identity Module (SIM) card of the mobile device used by the client, corresponds to Costa Rica;
The address or domicile registered by the customer corresponds to a location in the territory of Costa Rica;
The location of the bank account used for payment or the customer's billing address held by that bank corresponds to a location in the territory of Costa Rica.

E-services list

According to Costa Rican law, digital services are defined as services provided through the Internet or digital or technological networks or platforms. These products include:

- Acquisition of digital content (such as downloads of music, e-books, videos, apps, games, etc.);
- Content delivery by subscription (such as news, music, online games, etc.);
- Provision of software and maintenance services (such as anti-virus software, digital data storage, etc.).

Registration procedure

Foreign companies that are suppliers or intermediaries of services or digital goods must apply for taxpayer registration with the Tax Administration of Costa Rica. Entities are obligated to enroll in the Tax Administration's taxpayer registry. The Tax Administration will automatically register those individuals or legal entities who have not initiated the registration process.

VAT filing and payment date

VAT returns need to be filed monthly. VAT returns must be submitted and paid within the 15 days of the following month. The form to report value-added tax is Form D-188. VAT needs to be submitted on website ATV (Administración Tributaria Virtual).

Penalties

In case of late submission of the declaration, a fine of 50% of the minimum monthly wage is levied. A fine of 1% of the outstanding amount for each month, but not more than 20% of the total outstanding amount, is levied for late payments.



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