

Private sector invites legislative leaders, mayors to discuss repeal of inventory tax

SAN JUAN – Leaders of the private sector requested a meeting with the government with the aim of reaching an agreement on alternatives to achieve the elimination of the tax on inventories.

“The elimination of the inventory tax is a priority issue for the private sector and citizens. Finding a way to address, in this legislative session, and achieving its repeal now is urgent; and this meeting is the ideal space to discuss the matter,” said Iván Báez, president of the Retail Trade Association, who also stressed the negative effects this tax has on Puerto Ricans, national security and business inventories.

He said the people invited to the meeting, which will be held Thursday, Jan. 31, include House Speaker Carlos “Johnny” Méndez, Senate President Thomas Rivera Schatz, Rep. Antonio “Tony” Soto and Sen. Migdalia Padilla, as well as the chairpersons of the House and Senate’s Treasury committees.

Also invited are Cidra Mayor Javier Carrasquillo Cruz, who is the chairman of the Municipal Revenue Collection Center’s (CRIM by its Spanish acronym) governing board; Bayamón Mayor Ramón Luis Rivera Cruz; and Cataño Mayor Félix Delgado Montalvo.

Báez pointed out that several sectors consider the tax harmful and that it hinders the ability of businesses to maintain sufficient product inventory to meet the island’s needs. The legislature’s leaders promised to meet with the private sector, mayors and lawmakers to discuss and identify alternatives to the tax.

Among the private sector groups that convened the meeting are the Puerto Rico Chamber of Commerce; the Retail Trade Association; the Chamber of Food Marketing, Industry & Distribution (MIDA by its Spanish acronym); the Puerto Rico Products Association, the Puerto Rico Home Builders Association; and the Construction Material Suppliers Association (ACMC by its Spanish initials).

For MIDA President Rafael O’Ferrall, lawmakers have the duty to ensure the best interest of residents and the economic development of Puerto Rico.

“We live on an island, which is why we import a large part of what we consume. The healthy thing would be that businesspeople keep the variety and quantity of everything that is consumed in inventory. In order to avoid that—what happened after [Hurricane] María happens again—consumers in Puerto Rico are affected. We have the expectation that, in this meeting, we will reach agreements for the benefit of all,” O’Ferrall said.

For his part, Chamber of Commerce President Kenneth Rivera added that “quite some ground has been covered because, in the past few months, we have devoted a lot of work and analysis to educate about the harm of this tax and achieve its elimination. We have also analyzed the alternatives provided by the legislature; however, the alternatives that were discussed at the time were used to address other municipal and state matters. We trust that this joint meeting will be the initial step to address the calling of the private sector and citizens once and for all.”

They said both the Senate president and House speaker recently expressed that the elimination of the inventory tax will be

one of the priorities of the newly begun session.

The private sector groups concurred that they will not stop their public campaign efforts, meeting with mayors and lawmakers, the executive branch and even with members of Congress until the “nefarious” tax is eliminated.