

MEXICO – HOTEL AUTHORITIES

NEW AUTHORITY GUIDE

THOMSON REUTERS TAX RESEARCH

MAY 2017 CONTENT UPDATE #1

Introduction

We have added 31 province level authorities to support the Occupancy Tax for furnished accommodations without classification in Mexico. The authorities have been added, including all rates, catch-all rules, and product taxability. This content update includes a selected number of jurisdictions. Subsequent updates will include the remaining authorities required to support the Occupancy Tax throughout Mexico.

PART I – UPDATES TO DETERMINATION

New Authorities

The following are the authorities names added this month.

AUTHORITY NAME	ZONE LEVEL
MX - Aguascalientes Impuesto Sobre Hospedaje	Province
MX - Baja California Impuesto Sobre Hospedaje	Province
MX - Baja California Sur Impuesto Sobre Hospedaje	Province
MX - Campeche Impuesto Sobre Hospedaje	Province
MX - Chiapas Impuesto Sobre Hospedaje	Province
MX - Chihuahua Impuesto Sobre Hospedaje	Province
MX - Coahuila Impuesto Sobre Hospedaje	Province

AUTHORITY NAME	ZONE LEVEL
MX - Colima Impuesto Sobre Hospedaje	Province
MX - Distrito Federal Impuesto Sobre Hospedaje	Province
MX - Durango Impuesto Sobre Hospedaje	Province
MX - Guanajuato Impuesto Sobre Hospedaje	Province
MX - Guerrero Impuesto Sobre Hospedaje	Province
MX - Estado de Mexico Impuesto Sobre Hospedaje	Province
MX - Hidalgo Impuesto Sobre Hospedaje	Province
MX - Jalisco Impuesto Sobre Hospedaje	Province
MX - Michoacan Impuesto Sobre Hospedaje	Province
MX - Morelos Impuesto Sobre Hospedaje	Province
MX - Nayarit Impuesto Sobre Hospedaje	Province
MX - Nuevo Leon Impuesto Sobre Hospedaje	Province
MX - Oaxaca Impuesto Sobre Hospedaje	Province
MX - Puebla Impuesto Sobre Hospedaje	Province
MX - Queretaro Impuesto Sobre Hospedaje	Province
MX - Quintana Roo Impuesto Sobre Hospedaje	Province
MX - San Luis Potosi Impuesto Sobre Hospedaje	Province
MX - Sinaloa Impuesto Sobre Hospedaje	Province

AUTHORITY NAME	ZONE LEVEL
MX - Sonora Impuesto Sobre Hospedaje	Province
MX - Tabasco Impuesto Sobre Hospedaje	Province
MX - Tamaulipas Impuesto Sobre Hospedaje	Province
MX - Tlaxcala Impuesto Sobre Hospedaje	Province
MX - Aguascalientes Impuesto Sobre Hospedaje	Province
MX - Baja California Impuesto Sobre Hospedaje	Province
MX - Baja California Sur Impuesto Sobre Hospedaje	Province
MX - Campeche Impuesto Sobre Hospedaje	Province
MX - Chiapas Impuesto Sobre Hospedaje	Province
MX - Chihuahua Impuesto Sobre Hospedaje	Province
MX - Coahuila Impuesto Sobre Hospedaje	Province
MX - Colima Impuesto Sobre Hospedaje	Province
MX - Distrito Federal Impuesto Sobre Hospedaje	Province
MX - Yucatan Impuesto Sobre Hospedaje	Province
MX - Zacatecas Impuesto Sobre Hospedaje	Province

Zones

Zones have created and updated in the zone tree in our system to store the new authorities at the appropriate city and departmental level. For a complete list of zones created and updated as well as the authority attachments, please see the May #1 Change report.

Authority Options

All new authorities contain the same options.

NAME	CONDITION	VALUE	START DATE	END DATE
Tax Direction	- None -	No	1/1/1901	N/A
CR - Registration Requirement	Both	Registration Requirement	1/1/1901	N/A
PRL - Parent Registration Lookup	- None -	No	1/1/1901	N/A
Turn Off Authority	- None -	Yes	1/1/1901	N/A

Rate and Fee Updates

The following rate and fee have been added in the province level authorities.

RATE CODE	RATE DESCRIPTION	RATE / FEE	START DATE
NL	Not Liable	0%	1/1/2017
TU	Impuesto Sobre Hospedaje	Fee varies by authority	1/1/2017

Catch-all Rules

The following catch-all rules have been added in the city and department level authorities.

RULE ORDER	RATE CODE	TAX CODE	START DATE
5001	NL	N/A	1/1/2017
10000	No Tax	N/A	1/1/2017

Product Taxability Rules

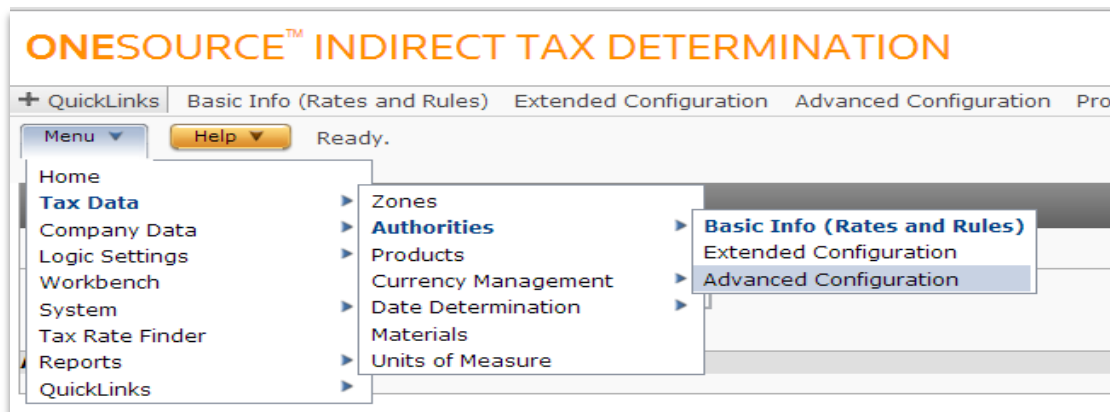
The following rule has been added on the default Harmonized Product Group with the noted effective date and has also been added to the city and department level authorities.

RULE ORDER	RATE CODE	PRODUCT NAME	START DATE
6899.7593	TU	S13.10 Private Home Rental	1/1/2017

PART II – USING THE AUTHORITIES

Turning On the authorities

The hotel authorities are turned off by default. To turn it on, access Tax Data > Authorities > Advanced Configuration menu section.



Search for the respective hotel authority and select it.

Advanced Configuration Search Options

Selected Authority: MX - Aguascalientes Impuesto Sobre Hospedaje Search Actions

Search for Authorities:

Tax Data Type: Authority Name: Templates: ☐ Custom: ☐

Search Results:

Authority Name	Product Group
Search Results	
MX - Aguascalientes Impuesto (through) MX - Sinaloa Impuesto Sobre H	
MX - Aguascalientes Impuesto Sobre Hospedaje	Harmonized
MX - Baja California Impuesto Sobre Hospedaje	Harmonized
MX - Baja California Sur Impuesto Sobre Hospedaje	Harmonized
MX - Campeche Impuesto Sobre Hospedaje	Harmonized
MX - Chiapas Impuesto Sobre Hospedaje	Harmonized

Select the Options tab and then click the Actions button and select Add from the drop-down menu. Select the name of the option “Turn Off Authority” and set the condition to None, the value to No and the start date of 01/01/1901 for your custom option or whenever you want the authority to start calculating tax.

Advanced Configuration Search Options Logic Mappings

Selected Authority: France - Anney Taxe de Sejour **Selected Authority Option:** (Creating a new authority option) Submit Actions

Custom Authority Options:

Name	Condition	Value	Start Date	End Date
Turn Off Authority	- None -	No	01/01/1901	

No Custom Authority Options Found

Tax Data Provider Authority Options:

Name	Condition	Value	Start Date	End Date
Tax Direction	- None -	No	01/01/1901	
CR - Registration Requirement	Both	Registration Required	01/01/1901	
PRL - Parent Registration Lookup	- None -	No	01/01/1901	
Turn Off Authority	- None -	Yes	01/01/1901	

PART III – TAX RESULT EXAMPLE

Test 1: Supply of unclassified furnished accommodation in the province of Aguascalientes – Sale

WORKBENCH ELEMENTS	VALUES
Company Role	Seller
Transaction Type	Physical Performance

WORKBENCH ELEMENTS	VALUES
Supply	County: MX Province: AGU
Seller Registration	ABCD123456abc
Result	IVA in Mexico Impuesto Sobre Hospedaje in province of Aguascalientes

Scenario 2017 May - Mexico Hotel Content:

View Results: 1		Gross Amount: 100.00	Eff%: 18%							
Zone		Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt	TT	IT
Country: MEXICO		Mexico	IVA	S	O		16%	16.00		
Province: AGUASCALIENTES		MX - Aguascalientes Impuesto Sobre Hospedaje	Unclassified Furnished Accommodations	CA			2%	2.00		
								18.00 USD		
Authority Messages:										
Authority		RuleOrder	Message							
Mexico		10000	GCSDS6: Output VAT in Service location.							
MX - Aguascalientes Impuesto Sobre Hospedaje		6899.7593	CUSTAUTHSSU1: Impuesto Sobre Hospedaje							
System Messages:										

It is important to bear in mind that the authorities created will only return the right result if the transaction type of “Physical Performance” is pass through the system. If another transaction type is passed the system will return a Not Liable result.

Please contact Customer Support with any questions.