



# Honduras

<b>General</b>	Types of indirect taxes (VAT/GST and other indirect taxes).	VAT, known as sales tax ( <i>impuesto sobre ventas</i> ).
	Are there other indirect taxes?	<ul style="list-style-type: none"> <li>— Consumption tax.</li> <li>— Production tax.</li> <li>— Contribution to the preservation of road assets.</li> <li>— Tax on public roads services.</li> <li>— Tax on airport services.</li> <li>— Tax on tourist services.</li> </ul>
	What are the standard or other rates (i.e. reduced rate) for VAT/GST and other indirect taxes?	<p><b>VAT</b></p> <ul style="list-style-type: none"> <li>— 15% (standard); 18% on sale of first class airline tickets; and 18% on import or sale of alcoholic beverages, carbonated water and tobacco products.</li> </ul> <p><b>Production and consumption tax</b></p> <ul style="list-style-type: none"> <li>— Cigarettes 350 Honduran lempira (HNL) per thousand (about USD17).</li> <li>— Alcoholic beverages and carbonated waters HNL0.6787 to HNL32.6725 per liter (about USD0.0295 to USD1.4205).</li> </ul> <p><b>Contribution for preservation of road assets</b></p> <ul style="list-style-type: none"> <li>— Production and import of fuels USD0.03 to USD1.4089.</li> </ul> <p><b>Taxes on specific services and activities</b></p> <ul style="list-style-type: none"> <li>— Tax on public roads service HNL200 to HNL2,200 (about USD8.70 to USD95.65).</li> <li>— Tax on airport services. National departures HNL48.47 (about USD2.11) and international departures USD46.20.</li> <li>— Tax on tourist services.</li> </ul> <p>Services provided by hotels, rental cars and travel agencies 4%.</p>

<b>General (continued)</b>	Who is required to register for VAT/GST and other indirect taxes?	<p><b>VAT</b></p> <ul style="list-style-type: none"> <li>— It is required for local individuals and legal entities, including exporters that sell goods and provide services.</li> <li>— Importers of goods.</li> </ul> <p><b>Production and consumption tax</b></p> <ul style="list-style-type: none"> <li>— Producers and importers of cigarettes and other tobacco products.</li> <li>— Producers and importers of alcoholic beverages and carbonated water.</li> </ul> <p><b>Contribution for preservation of road assets</b></p> <ul style="list-style-type: none"> <li>— Producers and importers of fuels.</li> </ul> <p><b>Tax on public road services</b></p> <ul style="list-style-type: none"> <li>— Individuals and legal entities that own vehicles.</li> </ul> <p><b>Tax on airport services</b></p> <ul style="list-style-type: none"> <li>— Legal entities that manage Honduran airports.</li> </ul> <p><b>Tax on tourist services</b></p> <ul style="list-style-type: none"> <li>— Legal entities established as hotels, car lessees and travel agencies.</li> </ul>
<b>VAT/GST registration</b>	Is voluntary registration for VAT/GST and other indirect taxes possible for an overseas company (e.g. if the annual turnover is below the relevant VAT/GST and other indirect taxes registration threshold)?	Voluntary registration is not possible for non-established businesses with activity in Honduras.
	Does an overseas company need to appoint a fiscal representative?	It is not mandatory or necessary to appoint a fiscal representative for an overseas company.
	Which forms and supporting documentation does an overseas company need to submit for VAT/GST and other indirect tax registrations?	Not applicable.
	Is grouping* for VAT/GST and other indirect tax possible?	No.
<b>VAT/GST compliance</b>	How frequently are VAT/GST and other indirect tax returns submitted?	VAT returns are submitted monthly.
	What are the exchange rate rules in your country?	The exchange rates are fixed by the Central Bank of Honduras based on the references from the foreign exchange market.

\* By 'grouping' we mean: either a consolidation mechanism between taxpayers belonging to the same group (payment and refund are compensated but taxpayers remain distinct) or a fiscal unity for VAT/GST purposes (several taxpayers are regarded as a single taxpayer).

<b>VAT/GST recovery</b>	Can an overseas company recover VAT/GST and other indirect taxes if it is not registered for VAT/GST and other indirect taxes locally?	No.
	Are there any exemptions with the right to recover or deduct input VAT?	Invoices that support the input VAT must meet the requirements established in the invoicing regime.
	Are there any restrictions to the deduction of input VAT?	As mentioned above, invoices that support VAT must meet with the requirements established in the invoicing regime.
<b>Invoices</b>	Is a business required to issue tax invoices?	Yes.
	Is it possible/mandatory to issue invoices electronically?	Yes, it is possible, but not mandatory to issue invoices electronically. Approval from the tax authority is required.
	Is it possible for the vendor to issue an invoice, i.e. is self-billing possible?	Yes, it is possible to issue self-invoices.
<b>Audits</b>	Do tax audits take place on a regular basis?	No, if the tax authorities detect an irregularity, an audit is performed within 5 years of the date of the irregularity.
	Are audits done electronically in your country (e-audit)? If so, what system is in use?	No.
	What penalties can arise from non-compliance?	<ul style="list-style-type: none"> <li>— The non-payment of collected taxes (VAT) or the partial payment thereof after the deadlines will force collectors to pay the treasury the sums due and a surcharge of 5% per month (or fraction of a month) up to a maximum of 60%.</li> <li>— The non-submission or submission outside of the time set for the VAT return submission will be fined with a penalty of 1% of the respective tax if the return is submitted within the 5 following days to the date of submission. After this period, the fine will be 2% per month (or fraction of month) up to a maximum of 24%.</li> </ul>
<b>Special indirect tax rules</b>	Are there any special rules for the sale of a company by one taxpayer to another where VAT is not due on the sale?	No.
	Are there unique, specific indirect tax rules that you would not expect to find in 'standard' VAT jurisdictions?	No.
	Does a reverse charge mechanism apply for goods or services?	This mechanism does not apply in Honduras.
	Are there indirect tax incentives available (e.g. reduced rates, tax holidays)?	Companies operating under special systems (free in zones) could get an exemption of the payment of import taxes, VAT and income taxes.
<b>Rulings</b>	Are rulings and decisions issued by the tax authorities publicly available?	Yes, they can be found at <a href="http://www.cpat.gob.hn">www.cpat.gob.hn</a> .