



Honduras

General	<p>Types of indirect taxes (VAT/GST and other indirect taxes)</p> <p>Are there other indirect taxes?</p> <p>What are the standard or other rates (i.e. reduced rate) for VAT/GST and other indirect taxes? Use ranges where no fixed rate is available (i.e. differs in states).</p>	<p>VAT, known as sales tax (impuesto sobre ventas).</p> <ul style="list-style-type: none"> — Production and consumption tax. — Contribution to the preservation of road assets. — Taxes on specific services and activities. <p>VAT</p> <ul style="list-style-type: none"> — 15% (standard), 18% on sale of first class airline tickets and 18% on import or sale of alcoholic beverages, carbonated waters and tobacco products. <p>Production and consumption tax</p> <ul style="list-style-type: none"> — Cigarettes HNL350 per thousand (about USD17). — Alcoholic beverages and carbonated waters HNL0.58 to HNL27.92 per liter (about USD0.03 to USD1.50). <p>Contribution for preservation of road assets</p> <ul style="list-style-type: none"> — Production and import of fuels USD0.03 to USD1.4089. <p>Taxes on specific services and activities</p> <ul style="list-style-type: none"> — Tax on public roads service HNL200 to HNL2,200 (about USD9.50 to USD105). — Tax on airport services. National departures HNL47.45 (about USD2.25) and international departures USD39.97. — Tax on tourist services. Services provided by hotels, rental cars and travel agencies 4%. — Tax on casinos, betting or gambling HNL300,000 to HNL700,000 or 20% on gross incomes less the paid prizes, whichever is larger. — Tax on assets revaluation of 6% on taxable basis.
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General (continued)	<p>Who is required to register for VAT/GST and other indirect taxes? Please define the taxpayers for each type of indirect tax mentioned above.</p>	<p>VAT</p> <ul style="list-style-type: none"> — It is required for local individuals and legal entities, including exporters that sell goods and provide services. — Importers of goods. <p>Production and consumption tax</p> <ul style="list-style-type: none"> — Producers and importers of cigarettes and other tobacco products. — Producers and importers of alcoholic beverages and carbonated waters. <p>Contribution for preservation of road assets</p> <ul style="list-style-type: none"> — Producers and importers of fuels. <p>Tax on public roads service</p> <ul style="list-style-type: none"> — Individuals and legal entities owners of vehicles. <p>Tax on airport services</p> <ul style="list-style-type: none"> — Legal entities that manage Honduran airports. <p>Tax on travel services</p> <ul style="list-style-type: none"> — Legal entities established as hotels, car lessees and travel agencies. <p>Tax on casinos, betting or gambling</p> <ul style="list-style-type: none"> — Individuals and legal entities operating casinos. <p>Tax on assets revaluation</p> <ul style="list-style-type: none"> — Individuals and legal entities.
VAT/GST registration	<p>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)?</p> <p>Does an overseas company need to appoint a fiscal representative?</p> <p>Which forms and supporting documentation does an overseas company need to submit for VAT/GST and other indirect taxes registration?</p> <p>Is grouping* for VAT/GST and other indirect taxes possible?</p>	<p>No, VAT registration is mandatory for non-established businesses that have no fixed establishment in Honduras. A non-established entity is required to register as a taxpayer if it engages in business activities within Honduras.</p> <p>It is not mandatory or necessary to appoint a fiscal representative for an overseas company.</p> <p>Not applicable.</p> <p>No.</p>
VAT/GST compliance	<p>How frequently are VAT/GST and other indirect taxes returns submitted?</p> <p>What are the exchange rate rules in your country?</p>	<p>VAT returns are submitted monthly.</p> <p>The exchange rates are fixed by the Central Bank of Honduras based on the references from the foreign exchange market.</p>

* 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).

VAT/GST recovery	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.
Invoices	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 recipients to issue tax invoices/self-invoices (self-invoicing)?	Yes. It is possible to issue self-invoices.
Audits	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 there 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"> — The non-payment of collected taxes (VAT) or the partial payment thereof out of the deadlines will force collectors to pay the treasury the sums due and a surcharge of 5% per month or fraction of a month to accumulate up to a maximum of 60%. — The non-submission or submission outside of the time set for the VAT return submission will be fined with a surcharge 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.
Special indirect tax rules	In your country, are there any special rules for the sale of a company by a taxpayer to another where VAT is not due on the sale?	No.
	In your country, 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 in your country for goods or services?	This mechanism does not apply in Honduras.
	Are there indirect tax incentives available in your country (e.g. reduced rates, tax holidays)?	Companies operating under special systems (free zones) could get an exemption of the payment of import taxes, VAT and income taxes.
Rulings	Are rulings and decisions issued by the tax authorities publicly available in your country? If so, please provide us with the link to the database.	Yes, they can be found at www.dei.gob.hn .