

## **BENEFIT OF DECREE 3-95 OF REAL ESTATE TAX (IBI ACRONYMS IN SPANISH)**

Decree No. 3-95 of "Real Estate Tax", published in La Gaceta No. 21 of January 31<sup>st</sup>, 1995, taxes with the "Real Estate Tax" (IBI acronyms in Spanish) located in the territorial district of each Municipality of the Republic of Nicaragua. The rate of this tax is 1% on the basis or taxable amount, which is determined according to the following order of priority: a) The Municipal Cadastral Appraisal issued and notified by the corresponding Municipal Mayor's Office; b) The Municipal Self-Valuation declared by the taxpayer based on the description of the real estate or property that he owns; and c) Value estimated by the taxpayer based on the descriptive declaration of his real estate.

This Decree establishes that the payment of the IBI can be canceled in two measures, as follows: The first 50% of the amount to be paid, during the months of January, February and March; and the remaining 50% of the amount to be paid, no later than June 30<sup>th</sup> of the current year. However, there is a benefit of a 10% discount of the payable tax, which will be applied to the taxpayers that cancel the IBI in a single payment at the time of filing their return during the first three months of the year. This discount has been established in order to promote the payment of the taxes and avoid the collection of unnecessary penalties.

If you require more information about this matter, do not hesitate to contact us.



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