



Western Hemisphere: Tariffs and Taxes on Computer Hardware and Software

This document was last updated in October 2009.

--While we have made the best attempt to list all tariffs and taxes, this list may not be exhaustive. Because tariffs and tax rates are subject to change, please contact the Department of Commerce's Trade Information Center at 1-800-USA-TRADE for the most-up-to-date information on rates in the Western Hemisphere.

--Companies should only use this table as a guide to expected charges; in all cases it is prudent to work with a customs broker/freight forwarder for more accurate information. It is also advisable to check with Customs officials in the country to which you are exporting, and if necessary, to get a binding decision in writing prior to shipment.

--This document is intended for use by U.S. companies; other duties and charges may apply for non-U.S. companies.

--The rates listed on this page do not apply to software transmitted electronically.

--Some countries have additional information on customs procedures for IT products (and services) imports, including those related to electronically transmitted software. If the country name is hyperlinked, click for additional information.

Country	Tariff on Computer Hardware (HS 8471)	Tariff on Computer Parts (HS 8473.30)	Tariff on Computer Software (HS 8523 ²) M C U ³	Tariff on Manuals (HS 4901)	Withholding Taxes on Software Royalties	Other Taxes ¹¹	Date Updated
Antigua	5%	5%	20%(U)	0%	Unknown ⁶	10% customs service tax	8/2003
Argentina	1.5-22%	1.5-20%	16%(M) ⁴	0%	12.25 -33%	21% VAT ⁵ on CIF value + duty; 10% additional VAT; 3% advanced profits tax; 0.5% statistical fee	07/2009
Bahamas	0%	0%	0-10% (U)	Unknown	Unknown ⁶	2-7% stamp tax on CIF value + duty	8/2003
Barbados	0-5%	5%	20% (U)	0%	5% ⁷	15% VAT on CIF value + duty; 1% environmental levy (for computer manuals)	8/2003
Belize	0%	0%	20% (U)	0%	Unknown ⁶	8% sales tax on CIF + duty; 5% environmental tax on all items whose form of packaging or	10/2004

						content is plastic (i.e., if any amount of plastic wrapping forms part of the packaging)	
Bolivia	5-10%	10%	10%(U)	10%	unknown ⁶	13% VAT on CIF value + duty + customs fee + inspection company + custom form + customs broker fee + customs broker charge + specific chambers fee; 5% customs fee on CIF value; 1.9% inspection company tax on FOB value; 0.5-2% customs broker charge (on CIF value)	8/2003
<u>Brazil</u>	1.5-26%	1.5-23%	17.5%(M)	0%	25% on interest and royalties paid to non-residents; 15% on international money transfers on software purchases	1% misc. taxes on CIF; ICMS (Merchandise Circulation Tax) tax on CIF + duty + abovementioned misc. taxes (ICMS rate varies by state--Sao Paulo/Rio 18% rate is benchmark); merchant marine tax 25% ocean freight charges; 2.2% syndicate fee; 1% warehouse tax; 3% port tax; Industrial Products Tax (IPI) on CIF: 15% on hardware, 0-15% on software, 3.5% on capital goods. Click here for more details on Brazil's taxes	9/2009
<u>Canada</u> ¹	0%	0%	0%	0%	Exempt ⁹	5% goods and	07/2009

						services tax (GST) assessed on total value of shipment; provincial sales tax (PST, decided by individual province), if applicable	
Chile	0%	0%	0%	0%	15% and the Chilean importer, has to pay it and will receive a certificate for this payment. Some U.S. companies present the certificate to the IRS so that the amount is deducted from its taxes, but for this process, you will need to consult with a tax advisor in the U.S. (The 15% withholding tax applies to all software entering the country regardless of its origin. <i>It is not</i> a withholding tax on software royalties).	19% VAT on CIF value	07/2009
Colombia	5-10%	10%	10-15%(M)	20%	see below ¹⁰	16% VAT on CIF value	07/2009
Costa Rica ¹	0%	1%	0-1% (C)	1%	None	13% VAT (no VAT on manuals); 1% import surcharge drops to 0% using the CAFTA	9/2009
Dominica	0%	Unknown	Unknown	3%	Unknown ⁶	25% consumption tax on CIF value; 1% service charge on CIF value	8/2003
Dominican Republic	0%	0%	0%(M) ⁴	0%	25% on services	16% ITBIS (a sales tax) on CIF	07/2009

					related to software sales	value	
Ecuador	0%	5%	0% except on 852321: 25% and 8523299010: 20%	0% except 490110 and 49019910: 12%	None	12% VAT on CIF value; 1% (all payments or dividends remitted abroad); 0.5% FDI	8/2009
EI Salvador ¹	0%	0%	0%	0%	Unknown ⁶	13% VAT on CIF value + duty	07/2009
Grenada	5%	5%	20%	0%	Unknown ⁶	20% VAT; 5% customs charge on CIF value + duty; 25% consumption tax	8/2003
Guatemala	0%	0%	0-15%(U)	0%	Unknown ⁶	12% VAT on CIF value + duty	07/2009
Guyana	0-5%	5%	20%(U)	0%	Unknown ⁶	Up to 50% VAT on selected products; 8% consumption tax	8/2003
Haiti	Unknown	Unknown	Unknown	Unknown	Unknown ⁶	10% turnover tax (TCA) on CIF value + duty; 4% verification fees; 2% Contribution to Management Funds for Territory Collectivities (CFGDT) on CIF	8/2003
Honduras	0%	0%	0%	0%	25-35%	0%	8/2009
Jamaica	0%	0%	20%(U)	0%	10% ⁷	15% general consumption tax (GCT) on CIF value + duty	8/2003
Mexico	0-23% - non-NAFTA; NAFTA 0%	0%	13-18%(C) - non-NAFTA; NAFTA 0%	0-20%	10% ⁷	15% VAT on FOB value + duty; approximately \$13 Customs processing fee - not charged on NAFTA imports	9/2009
Nicaragua	0%	0%	0%; 15% on 8524.40 (U)	0%	Unknown ⁶	15% VAT on CIF value + duty (no VAT on manuals); 10% Specific Consumption Tax	8/2003
Panama ¹	5%	3%	5-15%(C)	0%	None	5% VAT on CIF	07/2009

						value + duty	
Paraguay	1.5-26%	1.5-23%	17.5%(U)	0%	None	10% VAT on CIF value + duty; 7% domestic sales tax; 7.5% consular tax; 0.75-3% port fees and shipping charges	8/2003
Peru	0%	0%	0%(M) ⁴	0%	30% royalty tax on FOB value of software license	19% General Sales Tax)	8/2009
St. Kitts	5%	5%	25%(U)	0%	Unknown ⁶	2% stamp tax; 15% consumption tax; 3% customs surcharge on CIF value + duty	8/2003
St. Lucia	0%	0%	20%(U)	0%	Unknown ⁶	4% customs surcharge on CIF value + duty; 2% customs service; 3-45% consumption tax on CIF value + duty + customs surcharge	8/2003
St. Vincent	unknown	5%	20%(U)	0%	Unknown ⁶	25% Custom surcharge on CIF value; 7.5% stamp tax; 5-55% consumption tax	8/2003
Surinam	5%	5%	5-25%(U)	0%	Unknown ⁶	1.5% tax on CIF value; 1.5% license fee; 1.5% statistics fee	8/2003
Trinidad & Tobago	0%	0%	20%(U)	0%	0% ⁷	15% VAT on CIF value	8/2003
Uruguay	2%	0-2%	16%(M) ⁴ Smart cards 2%	0%. Manuals packaged with software are classified as a kit under 85.23. If sent separately, they are	None	32% VAT on the CIF value (10% paid in advance); 1% customs charge 2% consular tax.	8/2009

				classified under 4901.			
Venezuela	5%	5-10%	5-15%; 0% on 8524.30 (C)	20%	10% ⁷	12% VAT on CIF value + duty; 1% customs handling fee on FOB value	9/2009

1 This country is a member of the Information Technology Agreement. Click [here](#) for more information.

2 Depending on the underlying medium on which it is presented, computer software is classified in one of the following five 10-digit HS numbers: 8523.29.2000, 8523.40.2010, 8523.40.2020, 8523.40.4000, 8523.40.5000

3 Indicates whether the country applies tariff solely to the value of the underlying medium (M), content/full value of software (C), or if method is unknown (U). Click [here](#) for more information.

4 Duties are charged on the medium only if the value of the medium and the value of the content are listed separately on the invoice. Otherwise, tariff is applied to the total amount of the invoice. If the software is used for pre-university education then the import duty is zero.

5 For software, VAT is applied to the value of the medium plus the value of the content.

6 This country does not have a bilateral tax treaty with the United States and there is no confirmed withholding tax rate available. For more information on the possible tax obligations please contact the country's embassy. See <http://www.embassy.org>.

7 This withholding tax rate reflects a bilateral tax treaty with the United States. Click [here](#) for more information.

9 [Software sales in this country are exempt from withholding tax and are subject to tax only in the United States.](#)

10 Colombia applies a 24% tax on income from sales of computer software, which combined with a remittance

tax of 10% on royalties, yields an aggregate of greater than 30% on foreign licensors. There is a 35% withholding tax on 80% of the value of the licensing fee for software.

11 Sales taxes are based on a percentage of a predetermined value, if the value on which the tax is applied is known it is indicated. Generally either the "Cost + Insurance + Freight" value (CIF) or the "Free-On-Board" value (FOB) of the shipment is used to determine the tax obligation. For further information visit the Trade Information Center [website](#).