

## Real Estate Taxes:

Article 764 of the Panamanian Tax Code indicates which properties are exempt from property tax. These properties include:

1. All properties registered at a value of 30,000 USD or less including improvements to the land, i.e. construction
2. Land used exclusively for farming and registered with the Ministry of Agriculture and Development at less than 150,000 USD.

The real estate tax basis should be understood as being the **value of the land plus the improvements** which includes any construction on the land.

## The panama real estate tax table:

Registered Value of Property	Yearly Tax Percentage
UNDER 30,000	0%
30,001 - 50,000	1.75%
50,001 - 75,000	1.95%
OVER 75,001	2.10%

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Based on the above tax table, if you have a property valued at 100,000 USD, with no special new construction incentives, your break down of real estate taxes should be as follows:

**2.10% of 100,000 USD** (0.00 USD for the 0 -30,000 bracket which is tax exempt) + (349.98 USD for the 30,001 - 50,000 bracket at a rate of 1.75%) + (487.48 USD for the 50,001-75,000 bracket at a rate of 1.95%) + (524.98 USD for the 75,001 - 100,000 bracket at a rate of 2.1%) = **a total of 1362.44 USD for annual property taxes**

## New Construction Incentives and Property Tax Exonerations:

Panama boasts new construction incentives which grant anywhere from 5-15 years of property tax exonerations on the improvements i.e. Construction. Depending on the value of the construction and whether it is residential or commercial the following terms apply.

- **Commercial buildings** have 10 years of tax exonerations on the improvements
- **Residential construction** valued up to:
  - 100,000 USD gets 15 years of property tax exonerations on the improvements
  - 250,000 USD gets 10 years of property tax exonerations on the improvements
  - 250,000 + USD gets 5 years of property tax exonerations on the improvements

## How and When to Pay your Panama Real Estate Taxes:

Real estate taxes are due 3 times per year in Panama, at the end of the months of April, August and December. In order to pay real estate taxes, you need to know your property's tax ID. The tax ID is referred to as a RUC which stands for Registro Unico de Contribuyente, or Unique Taxpayer Registry. Every titled property in Panama is assigned its own RUC, by which its corresponding property tax payments are credited.

Property taxes must be paid in the form of either cash or certified check from a bank of locality. If by check, the payment must be issued to TESORO NACIONAL, (NATIONAL TREASURY) and it must include the property RUC.

The payments can be made at a variety of locations including but not limited to the following banks:

- [Caja de Ahorros](#)
- [Banco Nacional](#)
- [Banco General](#)
- [Banvivienda](#)

There is usually a service charge of approximately 2.00-3.00 USD so that the tax payment is credited to the system instantaneously. The payments must be accompanied with the attached form which can be obtained at certain Cajas de Ahorro, and Bancos Nacionales.

In order to know how much is owed in real estate taxes, it is recommended to solicit a NIT (numero de identificacion tributaria) or Tax ID number. A NIT is essentially a password for on-line access via the department of revenue website. There is no cost to solicit a NIT and once obtained it allows you to view your real estate tax account statements, and print out documents of good standing for real estate taxes (paz y salvos) from the comfort of your home or office. In order to obtain your NIT you will need to fill out the form at the [ANIP website](#). It generally takes a couple days to a week before your NIT is approved and assigned. To solicit your NIT you will need:

- The RUC for your property
- The passport or cedula number of the property owner, or legal representative if the property is in the name of a corporation or foundation
- The DOB and Expiration date of your cedula or passport of the property owner or legal representative
- The full name of either parent of the property owner or legal representative