

## RESIDENCY/TAXES

### Comparison of Types of Residency

Pensionado	Rentista	Inversionista	Representante	Permanent
Requires proof of US\$600 per month income from permanent pension source or retirement fund.	Requires proof of US\$1000 per month for at least five years, guaranteed by a banking institution, OR a US\$60,000 deposit in an approved Costa Rican bank. Double income for a spouse.	\$200,000 in any business OR a specified amount of investment in certain government approved sectors.	Applicant must be director of a company meeting certain requirements, such as employing a minimum number of local workers as established by labor law, with financial statements certified by a Public Accountant.	First degree relative status with a Costa Rican Citizen (through marriage to citizen or having a Costa Rican child) OR apply after 3 years in another residency.
Must remain in country at least 4 months per year.	Must remain in country at least 4 months per year.	Must remain in country at least 6 months per year.	Must remain in country at least 6 months per year.	Must visit Costa Rica at least once per year.
Can claim spouse and dependants less than 18 years of age.	Can claim spouse and dependants less than 18 years of age.	Cannot claim spouse and dependants less than 18 years of age. (Must process separately)	Cannot claim spouse and dependants less than 18 years of age. (Must process separately)	Cannot claim spouse and dependants less than 18 years of age.
Cannot work as an employee.	Cannot work as an employee.	Income allowed from the project.	Can earn an income from the company.	Can work.
Can own a company and receive income.	Can own a company and receive income.	Can own a company and receive income.	Can own a company and receive income.	Can own a company and receive income.

1) \$600 per month pension from an approved source - or  
Investment income of \$1,000 per month from an approved source – or  
Invest \$50,000 to \$200,000 in an approved sector of the economy.

Regular, unrestricted residency can be applied for after three years in one of the above plans.

The cost to process residency is approximately \$870 per family head plus \$870 for dependant spouse and \$425 per dependent child.

Residency renewals are usually every year. General conditions for renewal are 4-6 months/per year residence in Costa Rica, the required amount of monthly income, and renewal cost of \$100-\$150.

2) North Americans can stay in Costa Rica legally for up to 3 months. They must then leave for a period of 72 hours, and then can then return to the country for another three months. If the three month period is overstayed, a travel agency or ARCR can arrange payment of a small fine and prepare the travel documents required to leave the country for the required 72 hours. Tourists can own vehicles, property, and businesses and generate income from self employment.

3) There is no income tax on money earned outside of Costa Rica by residents. Personal income taxes are low compared to North America, with many personal expenses deductible from locally earned income. Corporate taxes are also low.

4) Sales tax is about 13%. Import duties are being decreased in Costa Rica in compliance with the GATT agreements as well as a recently signed NAFTA agreement. Vehicle duties are high however, ranging from 50-90% of the vehicles current value (Blue book rates).

Tourists pay an exit duty of approximately \$26.

License plate fees are paid annually for vehicles, and depend upon the value. They are not excessive.

Property taxes are very low in comparison with North America.

5) New residents will be charged import duty on cars and boats at the same rate as would be paid by a resident bring them in. Personal effects and artwork are not taxed. Electronic equipment and appliances will be valued and a duty charged.