

# Everything you Need to Know About Marchamo in Costa Rica

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All owners of motorcycles, automobiles, SUVs, Pick ups, Trucks and similar in Costa Rica are obligated to pay the MARCHAMO before the end of December. The amount can be checked at <http://portal.ins-cr.com/marchamo/marchamo/frmconsultamarchamo.aspx>

As of January 1<sup>st</sup>, 2019 all cars without proof of payment are exposed to a fine and license plate removal from Traffic Police officers (Transito). For 2018 the amount of the fine is 52,000 colons (about US \$85), plus the lines and headaches required to obtain the license plates back from Cosevi. The main questions usually are: What exactly is this tax? What does it cover? Why the payment is collected by the INS an insurance company?

The INS or National Insurance Institute applies compulsory insurance on all marchamos. The amount for this insurance is approximate 22,000 colons for vehicles and 86,000 colons for motorcycles. It covers medical care, medication, rehabilitation and disabilities in case of an accident up to 6 million colons (about US \$10,000). It also covers funeral expenses for the same amount if death results out of an accident for the victims involved. The reason for the insurance being much higher on motorcycles is because the high risk of accident on that type of vehicle (We all see how they drive in CR). In reality, the INS only charges a small amount on the marchamo, the rest is a "property tax" imposed by the government.

In 1987, law #7088 took effect creating a property tax against all vehicles, airplanes and boats specifically designated to recreation and sport fishing, with a maximum amount to pay equivalent to 200,000 colons. Later another law #7665 eliminated the limit, establishing the tax was be applied according to the fiscal value assigned by the government's Ministry of Taxes without limit. This is normally the largest amount reflected in the document. For example, a car with a fiscal value of 17 million colons (about US \$28,000) will pay approximate 540,000 colons for the property tax (about \$900). It's important to verify what the fiscal value of the car is before you pay.

The fiscal value assigned has to represent the market value under standard conditions. If any owner considers the fiscal is incorrect, a claim can be filed either personally at the Tax Ministry offices, or online by accessing the address <https://serviciosnet.hacienda.go.cr/autogestion/>. Once there, the owner can type the license plate number and find the fiscal value. Then is time to click on SOLICITUD DE REVISION to ask for a revision. It's important to submit evidence of the correct value such as: internet printings from car sale sites in CR, a letter of value issued by the dealer and the like. For the last, you must set up an email address to receive the decision.

Some vehicles that are exempted from the tax payment are: **A.** Vehicles owned by embassies

of other countries, **B.** Vehicles of recognized international entities, **C.** Vehicles owned by Central Government and Municipalities, **D.** Ambulances, rescue units owned by Red Cross and vehicles used by the Fire Department, **E.** Some heavy machinery equipment and agricultural vehicles are exempt totally or partially. The marchamo will also include any unpaid traffic tickets issued during the year against the license plate of each vehicle. It is also important to check if there are any charges related to this since it could raise the amount considerably.

Once the marchamo is paid, the owner will receive two things: **A.** A printed paper called Tarjeta de Circulacion, which must be carried out carried in the glove compartment at all times, and **B.** A adhesive intended to be placed on a visible place on the windshield, usually at the upper right side. The previous sticker needs to be removed and the new one needs to be placed with care. If the sticker is misplaced and ruined, the owner will have to go back to any INS branch or external authorized agents to request for a replacement by presenting the previous ruined sticker. If the owner can't attend personally, owner can authorize any other person with a letter authenticated by a notary public.

To have a current RTV or car technical inspection is essential. Otherwise, the marchamo can't be paid through the normal process. The property tax still due and if does not get paid on time fines and interest will apply. To avoid this, the owner of the vehicle without RTV can proceed paying the tax exclusively through a form D-110 and proceed paying the amount at a bank. For this it's necessary to obtain a prior authorization from the tax authorities. That way, when the vehicle finally obtains the RTV only needs to proceed paying the mandatory insurance at INS and will finally obtain the papers to be allowed to circulate legally in the country.

**About the Author:** Allan Garro was incorporated as a lawyer and public notary in 1996. He specializes in Litigation, Corporate and Real Estate Law. He has also acted as external legal consultant to Congress. He has been the author of more than 100 published English Language articles and can be reached at [\[email protected\]](#)