

Live And Invest In Mexico:

America's Favorite Destination



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Why Is Mexico America's Most-Popular Expatriate Destination?

Over the past four decades, Americans have voted Mexico the world's #1 place to live or retire in the way that really counts... they've packed up and moved there. This country is home to more American expats and retirees than any other, at least 1 million and as many as 2 million, depending on the survey.

This shouldn't surprise anyone. It's easier for an American to get to Mexico than to any other country other than Canada.

Why do Americans choose to go south of the Rio Grande rather than to the Great White North?

The weather!

Americans looking to start a new life in a new country seek three things primarily: warm weather, beautiful beaches, and a low cost of living. Mexico competes handily in all three categories.

This big, diverse country offers dozens of great living options, from colorful and historic colonial cities like San Miguel de Allende, Cuernavaca, Guanajuato, and Oaxaca to beach towns like Playa del Carmen and Tulum (on the Caribbean coast) and Puerto Vallarta and Mazatlán (on the Pacific).

While the living is not as cheap in Mexico as it was in the 1970s when Americans began migrating here in volume, it's a global bargain.

In some parts of the country, you can still find super real estate deals and most everything else—from a liter of gasoline and a week's worth of groceries to a suite of bedroom furniture and a night out on the town—is a bargain. Two can dine five star, enjoying three courses and good wine, for less than 50 bucks.

FUN FACTS AND FIGURES

Mexico, formally known as Estados Unidos Mexicanos (United Mexican States), is a country with rich traditions and a strong culture. Mexico has the 10th largest population in the world and is the 13th largest country in terms of total land area. Spanish is the national language of Mexico, although over 50 different indigenous languages are spoken. Mexico is the country which introduced the world to chocolate.

Information Type	Mexico Data
Population	131 million
Area	761,606 sq miles (1,972,550 sq km)
Currency	Mexican Peso (MXN)
Exchange Rate Versus U.S. Dollar	16.75 pesos per U.S. dollar (August 1, 2023)
Languages	Spanish (official), Indigenous languages
Capital	Mexico City
Population of Capital City	22.2 million (metropolitan area)
Religion	Roman Catholic 82.7% Pentecostal 1.6 % Jehovah's Witness 1.4 % Other Evangelical Churches 5% Other 1.9% None 4.7% Unspecified 2.7% (210 est.)
Time Zone	GMT – 6
Seasons	Coasts: hot and humid. Inland: dry and warm year-round
International Dialing Code	+52
Electricity	127V/60 Hz. Plug Type: A,B (US style)
System of Government	Federal Republic
Current Leader	President Andrés Manuel López Obrador (since Dec. 1, 2018)
Income Tax Rate For Residents	Progressive up to 35%
Property Tax	1% to 5%
Capital Gains Tax	0 to 10%
Inheritances Tax	0%

FUN FACTS AND FIGURES

Rental Income Tax	Taxed as regular income
Transfer Tax	2% to 5%
Sales Tax	0 to 16%
Restrictions on Foreign Ownership of Property	For property 50 km from ocean or 100 km international border, foreigners must own through a bank trust.
Local Chamber of Commerce	www.ccmexico.com.mx Paseo de la Reforma 4206048 MEXICO, D.F. Tel: 52-5-3685-2269
American Chamber of Commerce	Mexico City Blas Pascal 205, 3er piso Col. Los Morales 11510 Mexico City Tel: 52-55-5141-3800 Email: amcham.mx@amcham.org.mx
Primary Exports	Manufactured goods, oil and oil products, silver, fruits, cotton, vegetables, coffee.
Residency and Visa Requirements	<p>Tourist Visa: If you're visiting Mexico as a tourist you don't need a visa, but you do need a tourist card, which you can get on arrival by completing an immigration form available at border crossings or on-board flights to Mexico. Tourists and business visitors can stay in Mexico for up to 180 days.</p> <p>Residency: Mexico operates what is known as a Temporary Resident Visa, intended for people who wish to live in Mexico for more than six months and not longer than four years. The Temporary Resident Visa is renewable long term (more than six months) permit which gives non-immigrant temporary residency status to the holder.</p> <p>Citizenship: After residency of a continual five years with an immigrant visa.</p>
Special Benefits for Foreign Residents or Retirees	Valid foreign residents are eligible for Mexican senior citizen benefits that amount to discounts of up to 50% on a variety of goods and services, from health care to movie tickets to hotel rooms.
National Airline	Aeromexico – www.aeromexico.com

GENERAL INFORMATION



History



Mexico's history spans more than three millennia. It was populated more than 13,000 years ago by indigenous civilizations who were conquered and colonized by the Spanish throughout the 16th century.

The Spanish arrived and conquered the Aztec Empire in the region in the year 1521, making

Mexico City the center of colonial rule for the New Spain. During colonial era, the Mesoamerican civilizations of Mexico mixed with the European settlers. Mexico's languages are a representation of this hybrid background.

Mexican territory back then consisted of more than its current borders, it expanded to most of the American West in states such as California, Arizona, New Mexico, Nevada, Texas, Oklahoma, and others.

Geography

Mexico is located in the southern portion of North America, between the United States and Central America. Mexico is bordered by the U.S. to the north and Guatemala and Belize to the south. The entire western border of Mexico is a coastline of the Pacific Ocean, except for the inward jutting Gulf of California that separates the

GENERAL INFORMATION

Baja Region with the rest of the country. On the eastern coastline of Mexico you will find the Gulf of Mexico.

Safety and Crime

Mexico has a reputation of being an unsafe country, full of drug cartels and bandits. While there are places you should avoid, this is the case anywhere in the world. If you take the same basic safety precautions you would take anywhere else you should be fine. Because of the high number of tourists and expats, the government takes extra pains to ensure the safety of the areas that are destinations popular with tourists.

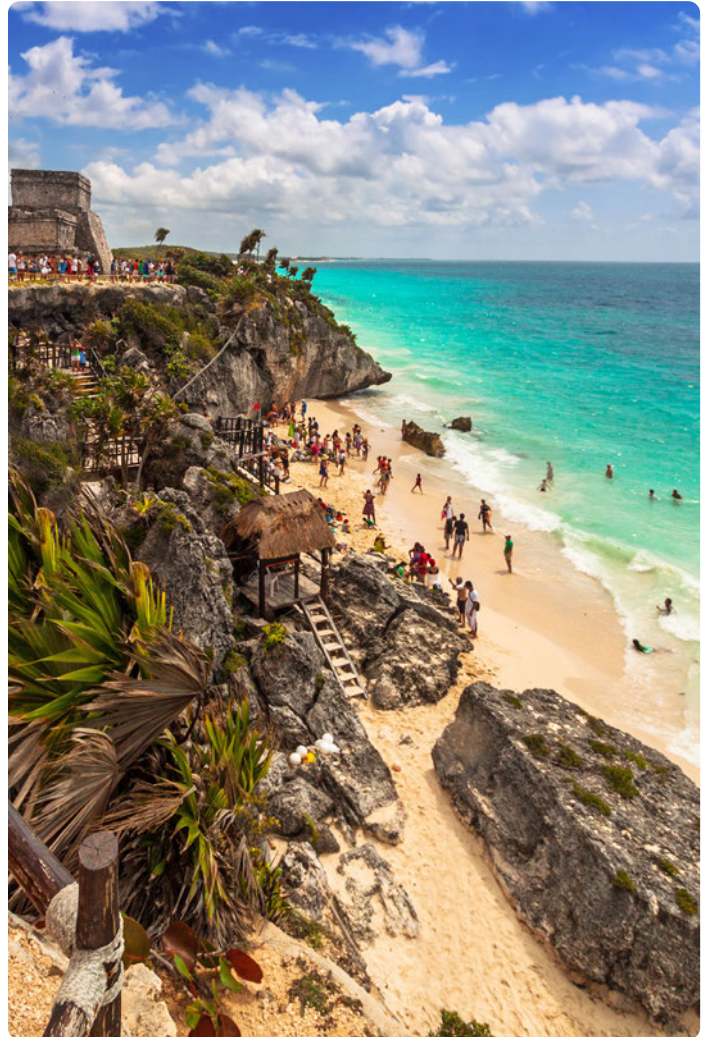
You'll see plenty of police around touristic areas; they're there as a deterrent... not because they regularly need to address crime issues. Mexico earns an enormous amount of money from tourists and expats every year, and takes that revenue seriously—it must be protected, hence the high-volume of police throughout tourist-popular areas.

Full-time Mazatlán expat Lee Harrison adds, “I haven't seen or heard of crime in the tourist or expat areas, although there must be something... I'd recommend normal prudence that one would use while traveling. I've found the historic center (where most full-time expats live) to be safe at all hours.”

Climate

Two well-differenced seasons can be noticed in Mexico: the dry season (from late November to early June) that is also the high tourist season, and the rainy season (from June to November), showing torrential though brief rainfalls which mainly take place by the afternoons.

Within Mexico City the weather is dry and mild. Mornings and nights are usually fresh, unlike the afternoons, which are usually warmer. Average



temperatures between December and March is 20°C (68°F), while during the warmer months (April and March) thermometers can go up to 31°C (87.8°F).

Weather conditions can utterly vary within the mountainous areas of northern Mexico, where winter seasons are very cold (late December to early March), usually freezing during the nighttime.

On the Pacific coastline, summer temperatures border 35°C (95°F) around the southern areas (Mazatlán or Puerto Vallarta) and 30°C (86°F) in the northern areas (Guaymas). In wintertime, these temperatures would usually decrease to around 10°C (50°F).

WHERE TO LIVE IN MEXICO

No doubt you have heard a lot about Mexico over the past decade, whether it's Cancún's beautiful beaches, Mazatlán's history, or the Mayan ruins, there is really something special about Mexico. Retirees and families looking for a new adventure can't go wrong with Mexico. You have diverse choices for the lifestyle you want to live. You can live in a well-established expat community, an authentic Mexican neighborhood, an indigenous village, or totally off on your own.

Pacific Coast

If you are traveling the Pacific coast of Mexico, we recommend a few places. Puerto Vallarta is perfect for retirees looking for fine dining, other expats, and all-inclusive amenities. Mazatlán is another great choice, known for its rich culture, historic areas, and big-game fishing.

Mazatlán

Mazatlán is located on the Pacific coast of Mexico in the state of Sinaloa. Several centuries after the city was founded by Spaniards and settlers, a group of German immigrants arrived and turned the area into a booming, successful port that is still thriving today. The German influence in Mazatlán at present is not that prevalent, the most recognized German contribution is probably the very popular Pacifico beer which is still brewed today in the Cerveceria del Pacifico.

Mazatlán has a little of everything: historical attractions and monuments spread all over the city, beautiful beaches

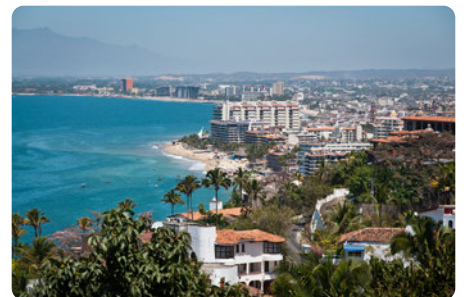
and islands, a scenic malecón (a seafront promenade), an aquarium with over 200 species of fish, a 19th century opera house which has been renovated and turned into a theatre, world-class fishing and delicious street food which the locals know is the way to go.

Puerto Vallarta

The warm weather and picturesque location are enhanced by the colonial charm of cobblestone streets and Spanish architecture. Mexicans are a fun and friendly people, and Mexican food is one of the world's great unique cuisines. With the abundance of fresh seafood from the Pacific Ocean, and Jalisco state being the origin of all tequila, Puerto



Mazatlán



Puerto Vallarta

WHERE TO LIVE IN MEXICO

Vallarta has all the elements of a party just waiting to happen!

Beautiful beaches, myriad water sports, and great restaurants combine to make an enticing vacation destination. Add a lively art scene, modern, convenient shopping options, a large expat community with English widely spoken, and proximity to the United States, and you've got an attractive long-term living possibility.

Bahía de Navidad

After the Spanish were ejected from Mexico in 1821, Barra de Navidad evolved into a sleepy fishing and farming village

until it was discovered in the mid-20th century by Mexican vacationers and, more recently, by Canadian snowbirds.

The Bahía de Navidad (Christmas Bay) is a beautiful, sweeping, crescent-shaped bay and beach located on the Costa Alegre (Happy Coast) on Mexico's Pacific seaboard. Barra de Navidad, at the southeast end of the bay, shares the beach with its neighbor, Melaque, on the northwest end. These two towns, separated by just a short walk across the beach, are very different. Barra de Navidad is chic, charming and upscale compared to rustic, laid-back Melaque.



Bahía de Navidad

Caribbean Coast

On the Caribbean coast of Mexico, we recommend visiting the Riviera Maya. This area consists of Playa del Carmen and Tulum. There are many all-inclusive resorts and beautiful beaches. Tulum is a quaint, but progressing town with activities from yoga to snorkeling.

Playa del Carmen

Playa del Carmen is a little beach town that sits about an hour south of Cancún on Mexico's Riviera Maya. Once a sleepy fishing town, it is now a great choice for those looking for a vibrant and active beachside community.

La Quinta Avenida (5th Ave.) is the pedestrianized street that runs parallel to the beach, one block up. Acting as the town's boardwalk, this buzzing strip offers residents a never-ending

supply of entertainment, plus the expat community is already large and well-established, and the cost of living is low. Not to mention the daily sunshine and year-round warm weather.

Tulum

The town of Tulum is at the center of the Ruta Riviera Maya, an area stretching from roughly Playa del Carmen in the north to Punta Allen in the south along the Caribbean, and extends inland to the Mayan ruins of Cobá. This area is easily among



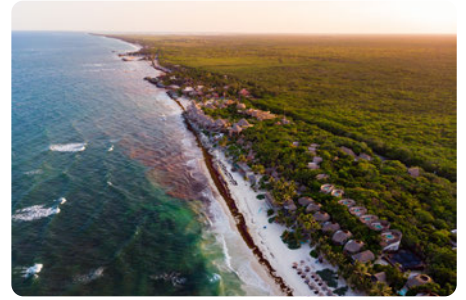
Playa del Carmen

WHERE TO LIVE IN MEXICO

the most exotic and beautiful geographical areas on earth. Rocky coastlines intermixed with white-sand beaches and spectacular cenotes (crystal-clear swimming and diving pools), tropical jungles, and remnants of Mayan temples all compete for visitor attention.

The town of Tulum is separated from the beach by a wide swath of marsh and jungle that is mostly undeveloped. A good

road runs from the town to the beach, then follows along the beach for several miles in two directions—one side connects to the picturesque Mayan ruins of Tulum and the other enters the UNESCO World Heritage Site of the Biosphere Reserve of Sian Ka'an. This beach area is mixed rocky coast and white sand beach—beautiful and world-class. The expats that live here call it paradise—it's truly a nature-lover's playground.



Tulum

Inland

On the Caribbean coast of Mexico, we recommend visiting the Riviera Maya. This area consists of Playa del Carmen and Tulum. There are many all-inclusive resorts and beautiful beaches. Tulum is a quaint, but progressing town with activities from yoga to snorkeling.

Guanajuato

Guanajuato is unique in [Mexico](#), perhaps unique in the world. Where else could you find such an eclectic mix as mummies, colonial architecture, thousands of energetic college students, excellent museums and churches, old silver mines and tunnels, world-class performance arts festivals, and an impressive schedule of cultural activities throughout the year?

Many visitors here compare Guanajuato with the small, medieval towns of Tuscany and Provence, but it's more animated, more interesting, and less expensive.

San Miguel de Allende

San Miguel de Allende has the small-town friendliness and hominess that most expats crave, set in a remarkably beautiful and sociable colonial town. It has been a retirement favorite for foreigners as far back as the late 1960s.

San Miguel is centrally located and is a good base for exploration of the country in all four directions. The colonial cities of Guanajuato and Queretaro are just 90 minutes away. Mexico City is about four hours away to the south, Morelia about three-and-a-half hours southwest, and Guadalajara about four-and-a-half hours west.



Guanajuato



San Miguel de Allende

WHERE TO LIVE IN MEXICO

Durango

Durango has loads of amenities, a great infrastructure, wonderful people, inexpensive real estate, and a low cost of living. What's more, the weather is great, with brilliant skies that are almost always clear and deep blue. Cool nights make for great sleeping all year. Its clean, well-kept streets host an architectural style that's more reminiscent of old Europe than Latin America.

With a thriving real estate market under US\$100,000—including apartments from US\$21k—property buyers will think they've gone to heaven.

Durango is a fresh, bustling, modern city situated in a dramatic mountain setting. Nestled in a high valley in Mexico's pine-studded Western Sierra Madre range, Durango's surroundings look like what we think of as the Old West.



Durango



ECONOMY IN MEXICO



Mexico Economic Statistics	
Real annual growth rate (2022)	2.1%
Per capita income (2021)	US\$19,740
Avg. inflation rate (2022)	7.9%
Natural resources	Petroleum, timber, gold, silver, copper, iron, zinc.
Primary sectors (62.4% of GDP)	Hotels and restaurants, tourism, financial, trade, and transport and communication.
Secondary sectors (34.2% of GDP)	Manufacturing, electricity and water supply, and construction.
Tertiary sectors (3.5% of GDP)	Agriculture, forestry, fishing, farming, and mining.
Exports	US\$578.1 (2022) billion: coffee, cotton, fruits, vegetables, manufactured goods, oil and oil products, silver.
Major trade markets	U.S. (78.3%), Canada (2.7%), China (1.9%)
Imports (2022)	US\$626.3 billion: agriculture; machinery, aircraft, aircraft parts, automobile parts (repair, assembly), electrical equipment, metalworking machines, and steel mill products.
Major suppliers	U.S. (49.1%), China (16.6%), Japan (4.4 %), Germany (3.5%)
Labor force (2022)	58 million
Unemployment rate (2022)	3.3%

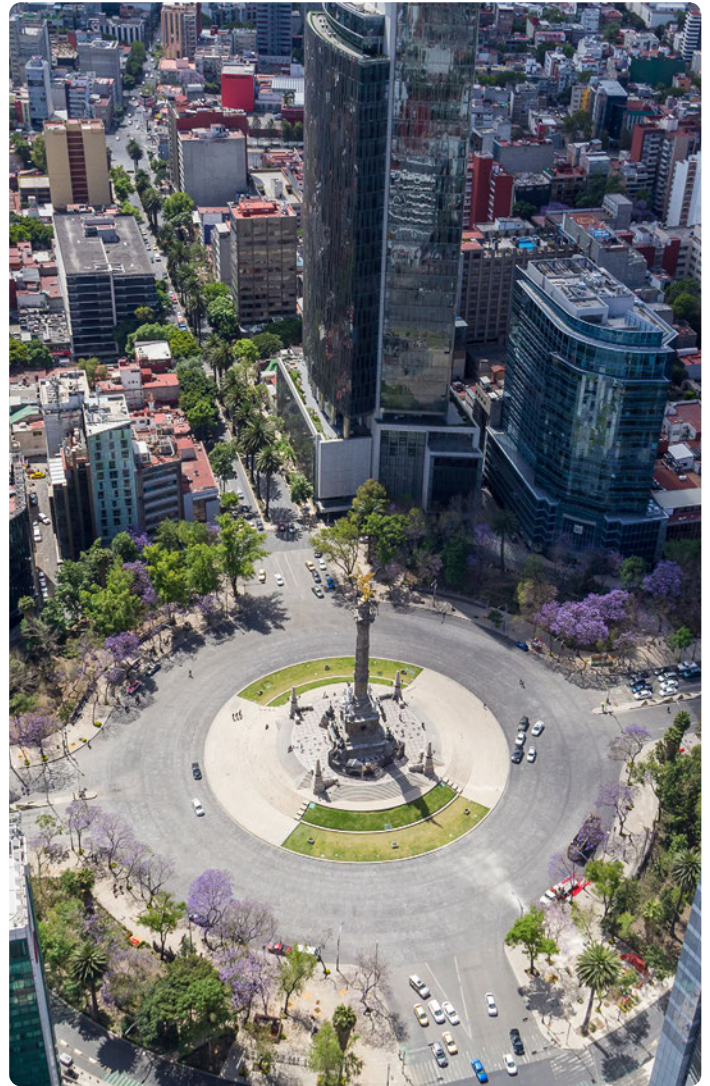
ECONOMY IN MEXICO

The economy in Mexico is among the largest in the world. According to the IMF, Mexico's GDP (purchasing power parity) is the second largest in Latin America and 11th largest in the world. Since the North American Free Trade Agreement (NAFTA) took effect in 1994, Mexico has increased their manufacturing capabilities substantially to become a key supplier for the U.S. market. A large majority (90%) of Mexico's trade falls under their numerous free trade agreements.

Due to increases in investment, the economy of Mexico has had strong growth in recent years. Couple this investing with a high demand on Mexican exports and it is easy to see why this is a country that continues a strong progress. The Mexican government has also made major reform in the communication, education, energy, and financial sectors, with a goal to increase Mexico's overall economic competitiveness.

When looking into the economy in Mexico you will soon find there are a few different levels of disparity. Mexico has a high level of income inequality. Carlos Slim, the communications mogul of Mexico, is said to have a net worth of over 5% of national GDP. However, in recent years this disparity has been steadily declining, as social and education programs are becoming more widely available. The second division of disparity in Mexico is a factor of geography. The central and northern regions account for a much higher level of development and economic growth than those in the south.

Going forward, Mexico should sustain its macroeconomic success and continue to attract private investors. The country's financial stability, due to increasing exports and further expansion, should continue for at least the medium term. The government has set goals to reduce their deficit to 2.5% of GDP over the next few years. This is a strong indicator of Mexico's commitment to having a sustainable, risk-averse economy for decades to come.



Cost Of Living

Seniors in Mexico, foreign or not, are eligible for discounts of up to 50% on health care costs, theater tickets, museum admissions, visits to archaeological sites, transportation, hotel rooms, and at many stores and restaurants.

While the cost of living is certainly lower than the U.S., life in Mexico is not nearly as cheap as some guides indicate. There is a huge tendency for enthusiastic expats to act like real estate agents when it comes to reporting living expenses, and they tend to under-report. That said, services—whether it's medical care or household help—are much less costly in Mexico than in the U.S.

You can probably afford a good life in Mexico. It's a matter of perception. The secret behind

ECONOMY IN MEXICO

“living like a king” is in the quality of life you can command when you move from a country like the States to one like Mexico. When you consider that the average wage in Mexico in 2023 is 534 pesos (US\$31) a day, it’s no big surprise that household help is extremely affordable.

And prices balance out. Paper products, Internet access, gasoline, even some books may be more expensive in Mexico than home, but pharmaceuticals, medical care, utilities, and food,

for example, are less expensive. You’ll find good prices at open-air markets. You can find everything from handicrafts to clothes—leather for less than US\$100—even some food you’ve never seen before.

Construction costs are also low: starting at around 8,500 pesos (US\$500) per square meter of construction using quality materials.

The following is a sample for approximate expenses in the city of Mazatlán. Costs are in Mexican Pesos.

Basics	Rent	15,000	In desirable area three blocks from the best beach; furnished, three-bedroom, comfortable apartment.
	Transportation	2,400	This allows for several taxi rides a month (a 10-minute taxi ride is about 40 pesos).
	Gas	278	Per tank; used only for cooking and hot water.
	Electricity	1,200	Limited use of air conditioner.
	Water	127	
	Cell Phone	600	Unlimited SMS and calls, local and international (States and Canada), 5,000 Mb.
	Internet and Cable	600	Standard cable plan with 128 channels; 50 Mps internet.
	Entertainment	9,000	Gym, two movies, two theater visits, eight dinners out, and two coffee shop visits.
	Groceries	4,000	Basic items for a couple. Shopping twice a week at the market.
	TOTAL	33,205	
Extras	Medical Appointment	500	A basic doctor/clinical appointment; per visit. (700 for a specialist, and about 2,000 for an ER visit.)
	Household help	5,220	Monthly wage for maid service five days a week.

BUSINESS AND EMPLOYMENT

In order to obtain a bank account in Mexico, one must show proof of legal residency (a nonresident or permanent visa), a valid passport, proof of address (via a bill of some kind), and a minimum deposit that will vary from bank to bank but won't exceed 1,000 pesos. If you have all of these things ready, it's possible to walk into a bank and open an account in the same day.

Checking and investing accounts through Charles Schwab enable you to take out money from any ATM in the world with no surcharges—ever. It's worth looking into for a stay abroad for any amount of time. For someone who travels regularly a bank account like this is a critical thing to have.

To work in Mexico City, most temporary residences alone won't cut it. You'll need to turn in a specific job offer, along with your residency credentials, passports, and some paperwork as a part of the application. If, however, you acquire a permanent residency, you won't have to fill out any further paperwork. You're already good to go. Note that as a foreign resident, any changes to your job or living situation—such as moving to a new address—will have to be reported to Mexican immigration authorities.

Setting up a business in Mexico City is relatively straightforward and inexpensive. Still—just like applying for residency—it is recommended to enlist the help of an attorney within Mexico City, as well as an accountant, of which there are many listed in the Rolodex. A limited liability company (*Sociedad de responsabilidad limitada*)

can be set up in Mexico with a minimum of 3,000 pesos in fixed capital (about US\$170 at the time this writing). A limited liability stock corporation (*Sociedad anónima*, or SA) can be started for 50,000 pesos in fixed capital. Unlike an LLC, an SA will require the company to contract an accounting firm to oversee proper management of the company.

The steps for getting a business off the ground are as follows: First, you'll have to register the company name with the Ministry of External Affairs. Next, you need to enter a "proforma" agreement, in which the proprietors of the company agree to follow the commerce laws of Mexico and not invoke those of one's native country.

After that, you'll need to enlist an attorney to draft the charter and bylaws of the company, which should outline the corporate structure, stock provisions, management provisions, provisions for liquidation, and more. The charter will have to be notarized and filed with the Public Registry of Commerce. Once the charter has been filed, the company will need a tax registry number, which can be obtained through the Sistema de Administración Tributaria. From there, you'll need to register the business to Mexican Social Security (IMSS) followed by the local tax administration, *la Secretaría de Finanzas del Gobierno del Distrito Federal*. The next step is to register the business with the local *delegación* (borough) and then with the *Sistema de Información Empresarial* (SIEM), the national business registry.



REAL ESTATE

Some of the best real estate locations in the world are in Mexico. It offers much of what makes other countries in the region great.

But it also boasts a few unique selling points. First is the close proximity to the United States. In many cases, you can simply drive there. Another benefit is how easy this makes it to stay in touch with friends and relatives. It also makes Mexico a great destination for a part-time retirement.

Mexico is a well-established tourist destination. Moreover, there are lots of areas where real estate investment can yield a healthy rental return. Furthermore, the area is great for snowbirds or people looking to expand their portfolio.

However, in Mexico, foreigners can't own within 100 kms of international borders or within 50 kms

of the coast except through a Mexican *fideicomiso* (land trust) or corporation.

Furnished vacation rentals are plentiful and well-outfitted throughout Mexico. Every real estate agency in town offers them, in every area. In Mazatlán, for example, there are 3,574 rentals listed at this time according to HomeToGo.

For fully equipped furnished rentals in Mazatlán with two bedrooms and two baths, expect to pay from US\$2,000 to US\$2,500 per month for a well-located unit (either with an ocean view or in the historic center). Off-beach and less-convenient locations will be less... under US\$500 per month for a furnished unit. For example, a three minute walk from the beach in Zona Dorada, I found a one-bedroom, one-bathroom furnished apartment. It features A/C, a laundry area, and parking. They're asking 8,500 pesos per month (US\$485).





As a retiree, tourist, or expat in Mexico you will find yourself paying taxes. It's inevitable. As every situation is different, as are the taxes that each individual will face. As Ben Franklin famously said, "In this world nothing can be said to be certain, except death and taxes." Though [living in Mexico](#) might help add years to your life, it won't allow you to escape paying your fair share of taxes. Mexico tax rates may however be lower than what you are used to paying back home.

Income Tax

If you generate income, you will likely owe income tax in Mexico. This income could come from:

- Bank accounts (interest-earning)
- Pensions
- Owning a business
- Rental property
- Working (as an employee of another business)

Income tax is paid to SAT (*Servicio de Administración Tributaria* or Hacienda), which is Mexico's Federal Tax Collection department. Most situations will require you to file a Mexican tax return.

Rental income is subject to a 25% withholding tax if you rent out the property while residing outside of Mexico. Otherwise, residents are taxed at the

normal income tax rate.

Property Taxes

If you buy [real estate in Mexico](#) you will have property taxes. There are three (3) types of tax that you will face for residential property involving the buying, owning, and selling process.

1. Transfer Tax

There is an acquisition tax when you purchase property. The rate differs in each state but typically ranges 2% to 5% of the value of the property. The buyer typically pays this tax, unless negotiated otherwise.

2. Property Tax

As a property owner, you will owe annual property taxes (*impuestos predial*). These taxes are quite reasonable compared to the U.S and other first world nations. Property is taxed at a local level in Mexico. Although technically illegal, it is common practice to use an "assessed" value, rather than the actual value from the point of sale. This assessment can be anywhere from 60% to 70% less than the actual market value.

For example, on a home with a market value of US\$200,000 you could have an official assessment that values the home at US\$75,000. This would put your transfer tax for acquiring the property at US\$1,500 and annual property taxes around US\$100 to US\$200.

3. Capital Gains Tax

Finally, once you have sold the property you will have to pay a capital gains tax. There are a few different ways [Mexico](#) allows you to calculate your capital gains. Your first option is to pay 25% of the declared value. Second, you can use the net value and pay 35%. Net value uses the assessed value from purchase and sale, figuring the difference, with consideration

TAXES IN MEXICO

of any miscellaneous contributions over the course of ownership. There are other instances where it is possible to not have any capital gains tax. This would be based on the type of ownership, property, and other factors. A primary residence can be exempt from the tax on the gain after five years. It's important to have a knowledgeable attorney when buying and selling real estate in Mexico.

Value-Added Tax

The value-added or sales tax in Mexico is charged on most goods and services.

How much: 16%, however some bordering areas of Mexico tax at 11%.

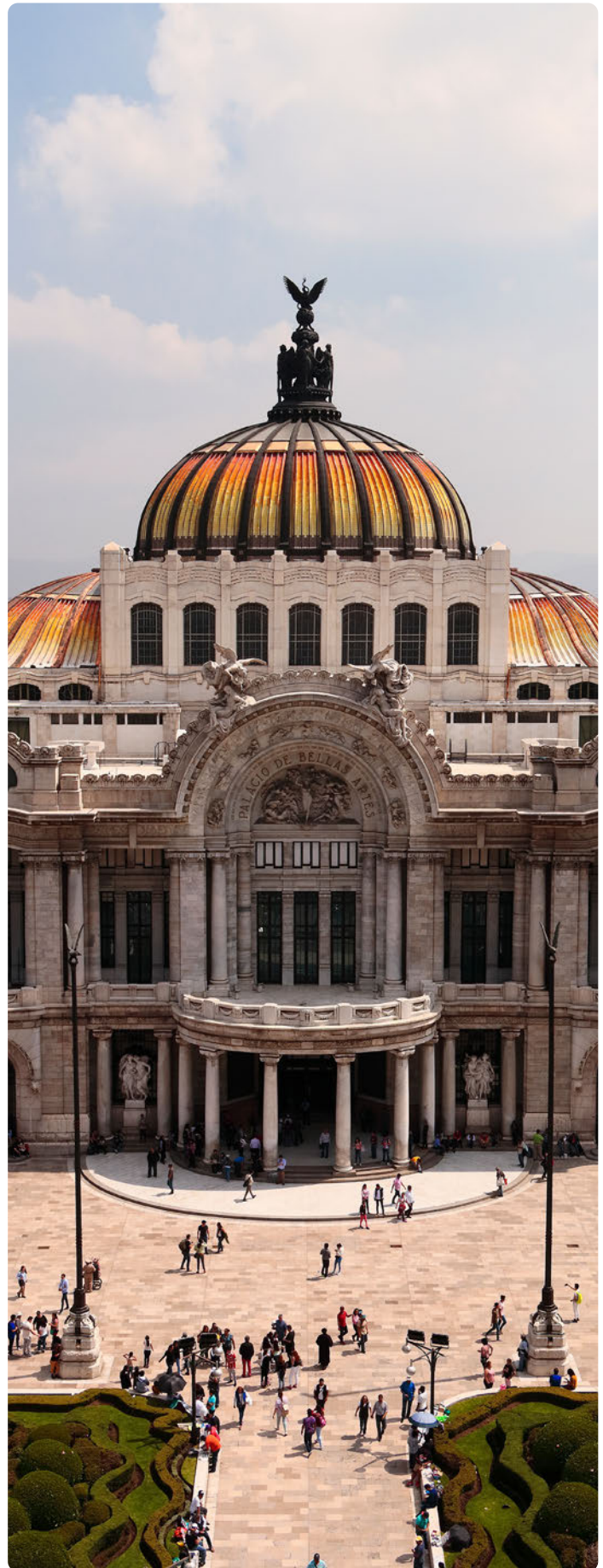
Foreigners traveling in Mexico can also obtain a tax refund on purchases of merchandise or other commerce in Mexico, if the following requirements are met:

- You are returning home by air or sea.
- You possess the receipts from your purchases.
- You take the merchandise with you when departing the country.
- Minimum purchase amount: MXN\$1,200 per business.
- Business must participate in “tax refund for foreign tourists” program.
- Purchases must be made electronically if over MXN\$3,000 (credit card, debit or bank transfer).

More information is available from *Servicio de Administración Tributaria* (SAT), the revenue service of the Mexican federal government.

Special Taxes

Other items, including alcohol and cigarettes, are subject to the *Impuesto Especial de Productos y Servicios* (IEPS) an additional tax on some products and services.



VISAS AND RESIDENCY

A Mexico visa is not required for visitors. For years, a visitor visa, called an FMM (*Forma Migratoria Multiple*), also known as a Tourist Card, was a mandatory requirement for those entering Mexico. It was a paper form completed at the port of entry or online. A phase-out of the paper FMM began in 2022 and it's now no longer required for visitors arriving into the country via air for stays less than 180 days. Instead, an immigration official at the airport will place a stamp in your passport.

It's important to note that while visitors to Mexico from the U.S. and Canada can stay for a maximum of 180 days, this won't always be the time granted by the immigration official. You may get 180 days, or it may be just a few weeks. Let the official know the time you need as, unless you specify, you may not get the number of days you need and once you leave the kiosk, it's too late to change the granted time allowance.

As of Sept. 2023, you are still required to complete an FMM if you're arriving into Mexico by land. The fee is 687 pesos (US\$40) per person. If your trip is less than 7 days in duration and you cross by land, there is no FMM charge.

By sea, some stations are still using the FMM, but most are now placing the stamp in your passport instead.

Mexican visa and immigration procedures vary. The first step is to find a good immigration attorney who speaks English. Interview at least two and do your due diligence. It's a good idea to talk with expats that have been through the bureaucracy before you. On the whole, though, the country makes it easy for expats to move to Mexico.

Applying For Residency In Mexico

If you wish to stay in Mexico for more than six months you can apply for a temporary resident visa, (*Residente Temporal*).

For this, you will need to meet the financial

requirements which are an average minimum monthly account balance of over US\$31,760 for the past 12 months or a minimum monthly income of US\$1,900 over the past six months

The first step is to complete the application paperwork. You'll then need to attend an interview at the nearest Mexican consulate to you. If your application is approved, you will get your visa there and then, or a couple days later.

That visa is valid for 180 days during which time you will need to travel to Mexico and attend at the Department of Immigration (*Instituto Nacional de Migración*) nearest to your chosen destination in Mexico. You need to do this within 30 days of your arrival in Mexico. It's prudent to make this appointment online before you travel.

On entry to Mexico, inform the immigration officer that you require a *canje* stamp. This shows that your immigration status will be changing.

Make sure you have all the required paperwork for your meeting at the Department of Immigration. The requirements for obtaining residency are constantly changing. They also vary consulate to consulate. You'll want to do your due diligence when deciding when and where to apply.

Once granted, your *Residente Temporal* is valid for one year and can be extended three times. After those four years are up, you're eligible for permanent residency.

As a *Residente Temporal* holder you can obtain a local driver's license, import a vehicle, open a bank account, and access the IMSS national healthcare plan (which you pay for) or the INSABI health care system (which is free).

It's also possible to skip the whole "temporary" part and become a permanent resident straight away. For this, you need to show a much higher monthly income or savings: an average minimum monthly account balance of over US\$127,031 over the past 12 months or a minimum monthly income of US\$3,176 over the past six months.

MOVING TO MEXICO

With an estimated 1 million Americans and nearly half a million Canadians living in Mexico, you are in good company. Mexico is typically thought of as a premier retirement destination—which it certainly is—but plenty of expats here are also making a living and raising families. Many start businesses, including schools, restaurants, bars, real estate services, franchises, and more. Or they remotely work in Mexico, while consulting online for U.S. or European clients.

Transporting your belongings is a certain consideration when preparing for a move to Mexico: Will you need to ship them? Can you drive them down yourself? Are there customs forms to fill out? It is important to contemplate all of these questions and more. Before up and moving to Mexico it is important to have a plan and a timeline for the move.

Unlike many countries where expats relocate, Mexico has nearly all the amenities of the U.S. In fact, nearly all the goods you buy in the States are available in Mexico, however availability is dependent on location. For this reason, deciding what to bring and what to leave behind can come down to simple costs (shipping vs. buying new in Mexico).

Take note of what you are looking for in a new location and decide if moving to Mexico fits the bill. Consider the different options you have, from Puerto Vallarta, to Tulum, to San Miguel de Allende, there is something unique and attractive about each place. Consider language; do you need to speak English or are you willing to learn Spanish? Are you looking for a small, quaint town or do you need to be around a larger population and close to first-world amenities?

Importation Of Your Household And Pets

If you obtain residency, you'll be allowed to bring your household goods to Mexico duty-free.

If you wish to move your pets to Mexico, you are allowed to import two pets per person or four per couple. If you're flying to your destination, it's important to check with your airline to make sure you follow all their guidelines.

Upon arrival in Mexico, look for the kiosk with one of two acronyms—SAGARPA or SENSAICA. They will do a quick check to clear them for entry into the country.

If you're traveling with pets other than dogs or cats, that's a whole different story. Be sure to read up on the details as they're always changing, especially with regards to birds.

Bringing Your Car

One of the many advantages of Mexico is that you can drive there... and bring your car into the country with minimal hassle. In some parts of Mexico, you don't even need a car permit.

But car permits aside, you always need to obtain Mexican auto insurance before crossing the border. One LIOS on-the-ground contact in Mexico uses Baja Bound Mexican Insurance Services. While they've never had a claim, they report being happy with both the prices and customer service.

To legally go as far south as Mazatlán, you'll need a vehicle import permit for your car. Non-residents can get vehicle permits from Banjercito, while temporary residents can easily pick one up at the border in about 15 minutes. The permit is valid for as long as your authorized stay in Mexico: six months for those entering as a tourist, and four years (maximum) for temporary residents. Visit the Rolodex for more information on auto insurance and vehicle import permits.

Permanent residents cannot get permits for non-Mexican cars.

HEALTH CARE

Mexico has universal health care, so everyone in the country is guaranteed coverage, and the care that is available can be excellent, but quality of care can vary from one facility to the next.

The best facilities have first-rate technology, English-speaking doctors, and low prices. Medical tourism is a fast-growing industry, with more Americans choosing to cross the border to seek quality, affordable health care in Mexico every year, and many Mexican doctors are trained in the United States, Europe, or Canada and speak English fluently.

Costs here are low, typically just one-third of the cost you'd pay for comparable care in the United States. Dental work and cosmetic surgery is typically 20% to 25% as costly as in the United States.

Private facilities are the best option for expats, if you can afford them. They're similar to what you're used to in the States or Canada. The best way to begin this process is to find your preferred hospital first and then see which insurance plans they take. Some hospitals have staff who can help you make insurance claims, including from outside Mexico.

Expats of any age or employment status may sign up for IMSS, the national health care, provided you're on a temporary or permanent residency visa. As of 2023, the cost is 9,950 pesos (around

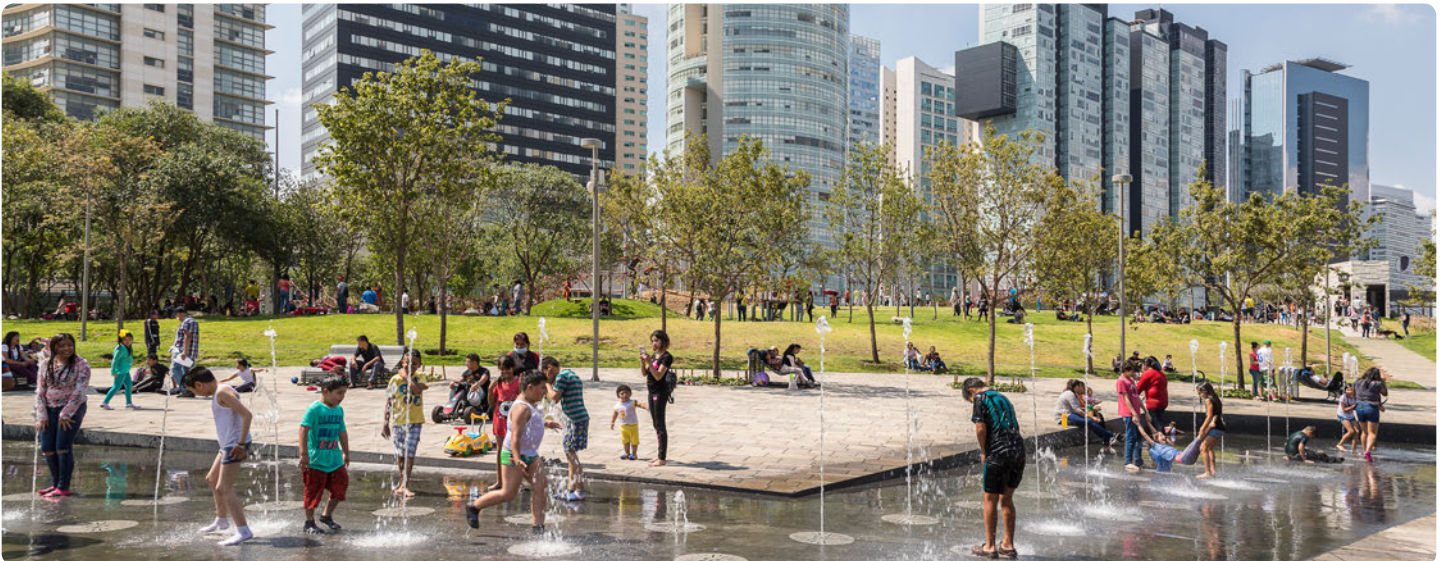
US\$575) per year from ages 50 to 59; 13,800 pesos (around US\$800) per year from ages 60 to 69; 14,350 pesos (around US\$830) per year from ages 70 to 79; and 14,850 pesos (around US\$860) per year for those over 80. Many Americans in Mexico opt to keep basic Medicare, given that the trip home is so quick.

Prescription drugs are mostly sold over the counter in México, except for narcotics and some antibiotics. Expect to pay one-quarter of what you'd pay in the States. For certain drugs, it's even less than that. For one antibiotic that costs US\$2 per tablet in the States, it is 25 cents in Mazatlán in the supermarket... one-tenth the price.

If you need medicine, don't buy it on the waterfront or highly-tourist-transited areas. The oceanfront pharmacies are targeting cruise ship passengers and charge between four and eight times more than the pharmacy in the supermarket.

Many larger pharmacies have a doctor's kiosk right in the drug store. You can get a prescription without even paying for an office visit.

Living or traveling anywhere in Mexico, you should download "RadarCiSalud." This app detects your location and shows you all medical facilities, including pharmacies, within a large radius along with basic information and contact details.



INFRASTRUCTURE IN MEXICO



Mexico's infrastructure is good and constantly improving. President Andrés Manuel López Obrador has undertaken many initiatives to develop national infrastructure across energy, land development, transport, communication, health, and tourism industries.

Communications in [Mexico](#) are excellent. Broadband Internet is available throughout the country and offers excellent connectivity. Most visitors notice no difference from the American to Mexican internet quality. Mexico very likely offers the best internet connection south of the border. Already impressively good and far-reaching, the telecommunications systems have been enhanced by new fiber optic cables, giving Internet access to about 78% of the population (up from 42% in 2012).

There are over 100 airports in Mexico and 8 main airlines. AeroMexico is the country's national carrier. Air transport here is excellent, abundantly available, and usually very cheap.

Almost all passenger trains in Mexico were discontinued in January 2000, when the Mexican federal government stopped subsidizing them. The good news is, the Mexican government now have plans in the works for 11 new train routes, the first of which, Tren Maya,—which will run along the country's Yucatan Peninsula—is set to commence from Dec. 1, 2023.

Driving in Mexico is not as dangerous as you may have been led to believe, but it can be more challenging. There are plenty of well-maintained four-lane toll roads that (for a price) can make you feel as comfortable as if you were back home. The two-lane

roads vary in width and conditions—some of them are in great shape and others are full of potholes. Traffic is a problem in major cities and suburbs.

One thing new drivers should be aware of is the livestock factor in Mexico. Livestock isn't fenced

in nearly as much as it is in the States. In fact, many farmers neglect to put fencing of any sort around the fields, even near highways. With no fencing the livestock is free to move about the roadways and because of this, nearly 40% of all Mexican accidents involve livestock in some way.

RETIRING IN MEXICO

INAPAM Program

As in many Latin American countries, Mexicans show great respect for elder generations. The government of Mexico creates special programs that reflect this sentiment.

The INAPAM (*Instituto Nacional De Las Personas Adultas Mayores*) comes in the form of a discount card. If you are over the age of 60 and a legal resident of Mexico you are eligible for this card and the range of discounts that comes with it.

Some of the discounts you can get from the INAPAM include:

- A discount of 5-10% on medications
- Up to 50% on busses if you book in advance
- Up to 50% off at the cinema
- 40% discount on property tax
- Free entry to many museums
- Around 10% off at many restaurants
- Discounts in many department stores
- Discounted water bills

There are lots more discounts available for INAPAM holders, it is always worth asking to see if you can get a discount.

Where To Retire In Mexico

Deciding where to retire in Mexico depends on what you want from your retirement. Mexico has

varied landscapes, climates and cities. As a result, there is something to suit all tastes.

From Mexico's colonial cities to its pristine, white sand beaches, it's hard not to find a spot fitting your retirement specifications. The choices are endless and the best part is they are yours to make. You can choose from a variety of climates, elevations, and scenery.

You can spend your days strolling the beaches of the Riviera Maya, sipping a "café Americano" from your terrace in Álamos. Or shopping in one of Puerto Vallarta's bountiful boutiques. If you are the type who enjoys the outdoors, hiking, biking, diving, rock climbing, Mexico has more than enough to keep you engaged. Mexico also offers shopping, wine tasting, fine dining, and the theatre. That's the thing about Mexico, you can retire here no matter your lifestyle, and find your way.



Further Resources

In The Right Places Overseas, You Can Live Better Than You Do Now

Maid, Dinners Out – For As Little As US\$760 A Month

Mexico is one of the countries featured in our Annual Overseas Retirement Index. Our 2023 report on the world's top 10 overseas retirement havens... the best places on earth for improving your quality of life while reducing your cost of living... including complete details on the cheapest places in the world to retire today... is available now.

We'd like to send you this comprehensive guide with our compliments.



[Discover how here.](#)

Real Estate Agents

Wayne Franklin, Our #1 Recommendation for Buying or Renting Property In Puerto Vallarta.

Wayne Franklin, known as “Franklin” in the real estate community of Puerto Vallarta, has been in the real estate industry for 25 years. Trained and licensed in California, Franklin practiced real estate for nearly 10 years in the Bay Area. Over the past 15 years, Franklin has nurtured his start-up, Tropicasa Realty, to one of the leading real estate agencies in the region, harnessing nearly 25% of the market share of AMPI-based real estate conducted in the Bay of Banderas.

Unique marketing techniques, attention to clients' needs, and the highest professional reputation in the industry are hallmarks of both Wayne Franklin and Tropicasa standards. Tropicasa is a member of AMPI, while Franklin is a former AMPI President and Chairman of the Honors and Justice Committee of the PV Chapter of AMPI. Member of AMPI, NAR, ICREA, Leading Agents of the World.

[Go here to get in touch.](#)

