

September 29, 2017

## Tax Update

### *Postponements of Treasury Due Dates due to Hurricane María*

As a result of the passing of Hurricane Irma through Puerto Rico, the Puerto Rico Treasury Department ("Treasury") issued Internal Revenue Circular Letter No. 17-13 ("IR CL 17-13") and Internal Revenue Informative Bulletin No. 17-17 ("IR IB 17-17") to postpone the due dates of those returns and payments that were due on September 10 and September 15, 2017.

In anticipation of Hurricane María, Treasury issued Internal Revenue Informative Bulletin No. 17-18 ("IR IB 17-18") extending the due date for the Monthly Sales and Use Tax Return for the month of August 2017, and its corresponding payment, due on September 20, 2017, until September 27, 2017. In addition, Treasury postponed all payments and deposits due on September 22, 2017 (as established in IR CL 17-13 and IR IB 17-17), until September 27, 2017.

After the devastating passing of Hurricane María, on September 27, 2017, Treasury issued: (i) Informative Bulletin No. 17-21 ("IR IB 17-21") to further postpone the due date of certain returns and payments and clarify certain questions and (ii) Administrative Determination No. 17-15 ("AD 17-15") to suspend the SUT bi-weekly installments for those taxpayers that are not Large Taxpayers, as summarized below.

### **IR IB 17-21**

#### **Taxpayers that are NOT Large Taxpayers**

All returns and declarations, along with their corresponding payments, which due dates, including extensions, are between September 19, 2017 and October 20, 2017, will be extended for 20 calendar days following their due date.

All payments and deposits with due dates between September 19, 2017 and October 20, 2017, will be extended for 20 calendar days following their due dates.

The due date for returns, payments or declarations which original due date was postponed by IR CL 17-13, IR IB 17-17 or IR IB 17-18, are automatically extended for 20 additional calendar days following the due date indicated in such publications.

#### **Large Taxpayers**

In the case of Large Taxpayers, the 20 calendar days extension applicable to the above taxpayers will apply, except in the following cases:



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1. All transactions made through SURI related to the SUT which due dates are during the months of September and October of 2017, including the (i) Monthly Use Tax on Imports Return (Model SC 2915D), (ii) Monthly Sales and Use Tax Return (Model 2915) and (iii) the bi-weekly SUT installments. These transactions will be **extended for a period of 7 calendar days** in addition to the due dates established in IR CL 17-13, IR IB 17-17 or IR IB 17-18.
2. Act 154-2010 excise tax payments for the months of August and September 2017, will be postponed until **October 6, 2017** and **October 20, 2017**, respectively.

### **Requests for Information**

All requests for information issued by Treasury including, but not limited to, requests for information related to regular and mail audits will be postponed for a period of 30 calendar days after the due date established in such request. In the case of mail audits, the 30-day extension is in addition to the 5 calendar days postponement established in Internal Revenue Informative Bulletin No. 17-16.

This postponement will only apply to those requests for information which due date to furnish the requested information is during the months of September and October 2017.

The foregoing, however, will not apply to taxpayers that have received a request for information through Form SC 6048, Request for Information of Tax Credits Reported in Form 480.71. In such case, the period will be postponed for two weeks as of the issuance of IR IB 17-21 (September 27, 2017), regardless of the due dates established in Administrative Determinations 17-10 and 17-11.

### **Taxpayer Rehabilitation Plan**

Treasury further establishes that it will not impose fines, interest or penalties to those taxpayers that entered into a Payment Plan Agreement with Treasury (pursuant to Internal Revenue Circular Letter No. 17-05), either automatic or regular, that have not complied with such agreement during the period starting on September 1, 2017 and ending on December 31, 2017. In addition, Treasury extends the fines, interest and penalties moratorium during such period to those payment plans that were in place on September 1, 2017, and that were entered into with Treasury through any other procedure.

### **Licenses**

Licenses that expire during the months of September or October 2017 will continue to be valid for an additional 2-month period. Once such provisional period expires, the taxpayer must furnish all documentation to renew the same. Upon approval by Treasury, the license will be issued retroactively to its original due date based on the last digit of the taxpayer's social security number or employer identification number.

### **Others**

Any other document, requirement, payment or matter not specifically addressed in IR IB 17-21 will be extended for 30 additional calendar days.

### **AD 17-15**

Treasury establishes that those taxpayers that are not considered Large Taxpayers will be waived from the requirement to deposit the bi-weekly SUT installments as of the tax period that commenced on September 1, 2017 until the tax period that ends on November 30, 2017. These taxpayers, however, will continue to have the obligation to remit the collected SUT on or before the 20<sup>th</sup> day of the month following the date in which the SUT was collected (or the alternate date established in IR IB 17-2)1. As of the tax period commencing on November 1, 2017, these taxpayers shall resume compliance with the remittance of their bi-weekly installments, as applicable.

Large Taxpayers shall continue to comply with the bi-weekly installments, due on the 15<sup>th</sup> and the last day of the corresponding month, except as modified by IR IB 17-21 (see above) or otherwise established by Treasury by Circular Letter, Informative Bulletin or Administrative Determination.

Attached are copies of IR IB 17-18, IR IB 17-21, and AD 17-15.

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