

Year 2020 Issue #2

On March 12, 2020, the Governor of Puerto Rico issued Executive Order No. OE-2020-020 (“Executive Order”), in order to declare Puerto Rico in a state of emergency, following the spread of the Coronavirus (COVID-19). Consequently, the Puerto Rico Treasury Department (“PRTD”) issued several guidelines in order to extend certain due dates for filing tax returns and for effecting certain payments, due to the state of emergency, as follows:

- March 13, 2020 - Administrative Determination 20-03 (“AD 20-03”)
- March 13, 2020 - Internal Revenue Informative Bulletin 20-07 (“IB 20-07”)
- March 16, 2020 - Administrative Determination 20-05 (“AD 20-05”)
- March 16, 2020 - Internal Revenue Informative Bulletin 20-08 (“IB 20-08”)

The Puerto Rico Department of State (“DoS”) issued subsequently an extension to the filing due date of the 2019 Annual Report.

## **I. Department of Treasury**

### **A. Administrative Determination 20-03 (“AD 20-03”)**

Through AD 20-03, the PRTD extends the due dates of certain tax returns, without the need of filing an automatic request for extension of time. AD 20-03 also extends the corresponding payment of taxes for such returns and the payment of the first installment of the estimated tax that must be filed and paid, for the tax year 2020. It enumerates the extensions between March due dates and April due dates, as follows:

#### 1. March Due Date

<b>Tax Return/Payment/ Taxpayer</b>	<b>Original Due Date</b>	<b>New Filing Due Date</b>	<b>New Payment and Estimated Tax for First Installment Due Date</b>
Pass-Through Entities (Partnerships, COIs, Special Partnerships, Employees-owned Special Corporations, Revocable Trusts or Grantor Trusts)	March 16, 2020	April 15, 2020	April 15, 2020
Return and Estimated tax payment for <b>every</b> <b>taxpayer</b> with an economic year with an original due date in March 16	March 16, 2020	April 15, 2020	April 15, 2020
Return, Form, Declaration, Payment or other Transaction related to <b>Income Tax</b> , whose due date fell <b>between</b> February 12 and 24, 2020	March 16, 2020 (Due to IB 20-02)	April 15, 2020	April 15, 2020

## 2. April Due Date

Tax Return/Payment/ Taxpayer	Original Due Date	New Filing Due Date	New Payment and Estimated Tax for First Installment Due Date
Every Tax Return (or Extension of Tax Return) originally due on April 15	April 15, 2020	May 15, 2020	May 15, 2020

## **B. Internal Revenue Informative Bulletin 20-07 (“IB 20-07”)**

The IB 20-07 complements AD 20-03, and provides certain extensions for administrative processes available for a taxpayer against the PRTD, the majority of which were performed physically through a visit to the PRTD.

- Notifications for Mathematical Error or Adjustment of Tax Return (“Notification”)
  - An extension of an additional one hundred and twenty (120) days is granted to the period established on every Notification.
- Office of Administrative Appellations (“OAA”, for its Spanish Acronym)
  - Every term available to file an administrative claim and every term required for the presentation of information and/or documentation requested by the OAA, will be extended for ninety (90) days, commencing on the day of the due date, if such due date falls after March 12, 2020.
  - Every hearing in front of the OAA, scheduled between March 16, 2020 and June 15, 2020, will be automatically suspended. The OAA will eventually inform the taxpayer of the new hearing date.

## **C. Administrative Determination 20-05 (“AD 20-05”)**

AD 20-05 was published in order to address additional due dates administered by the PRTD, as follows:

Sales and Use Tax (SUT)		
Tax Return	Original Due Date	New Due Date (Filing and Payment) or New Rules
Monthly Sales and Use Tax Return for February 2020	March 20, 2020	April 20, 2020
Bi-Monthly Sales and Use Tax Deposits	March 15 and March 31	No penalties imposed if such deposits were not made, but SUT was covered with the Monthly SUT Return (regular rule).

Other Tax Returns, Forms and Declarations (NOT RELATED TO INCOME TAXES)		
Tax Return	Original Due Date	New Due Date (Filing and Payment)
Other Tax Returns, Forms and Declarations, <b>not related to Income</b>	Original Due Date between March 15, 2020 and April 15, 2020	Original Due Date + One Month (without filing an Extension)

PRTD Bonds		
PRTD Bonds	Original Expiration Date	New Automatic Expiration Date
Every Bond with the PRTD	Expiration falls between March 15 - 31, 2020	April 30, 2020



Internal Revenue Licenses		
Licenses	Original Expiration Date	New Automatic Expiration Date
Every Internal Revenue License	Expiration falls between March 15 - 31, 2020	April 30, 2020

#### **D. Internal Revenue Informative Bulletin 20-08 (“IB 20-08”)**

IB 20-08 provides a relief for penalties related to the filing requirement of Informative Declarations under the original due dates, corresponding to tax year 2019, if such Informative Declarations are completed through the SURI no later than April 15, 2020.

#### **II. Department of State (DoS)**

The PR DoS published certain extensions for Annual Reports that must be filed by entities for calendar year 2019. The new due dates will apply, as follows:

- The 2019 Annual Reports are automatically extended and are now due on **May 15, 2020**.
- The 2019 Annual Report Extension (the “Extension”) will extend the due date for the Annual Report until June 15, 2020.
  - The Extension may be requested by making an advance payment of the Annual Report fee before May 15, 2020. The entity is still required to file the report by June 15, 2020 to avoid penalties.
- The 2019 Additional Extension (the “Additional Extension”) may be filed between April 16, 2020 and June 15, 2020, if the entity has prepaid the Annual Report. The Additional Extension will be valid until July 15, 2020.

At RSM Puerto Rico, we can advise you regarding the filing extensions following the State of Emergency Declaration in Puerto Rico. Please contact our tax advisors at (787) 751-6164 | [tax@rsm.pr](mailto:tax@rsm.pr) for help or more information.