

THE POWER OF BEING UNDERSTOOD

ADDITIONAL EXTENSION OF DUE DATES FOR THE FILING AND PAYMENT OF VARIOUS TAX DECLARATIONS

Year 2017 Issue #9

After the devastating aftermath of Hurricane Maria, and in an effort to offer a more viable way of filing tax declarations and providing the corresponding payments, the Puerto Rico Treasury Department (the "PRTD") has issued various Informative Bulletins and Administrative Declarations providing additional extensions of due dates. Based on those publications the new filing and payment due dates are as follows:

Regular Taxpayers	
Type of Filing	New Due Date
Every return or declaration with a due date (including extension) between Sep. 19 and Oct. 20	Postponed for 20 additional calendar days
Every payment or deposit of taxes with due date between Sep. 19 and Oct. 20	Postponed for 20 additional calendar days
Every return, payment or declaration with original due date postponed by Circular Letter 17-13 ("CC 17-13"), Informative Bulletin 17-17 ("BI 17-17") or 17-18 ("BI 17-18")	Postponed for 20 additional calendar days (added to the dates indicated in such publications)

Large Taxpayers	
Type of Filing	New Due Date
Every return or declaration with a due date (including extension) between Sep. 19 and Oct. 20, <u>Except</u> :	Postponed for 20 additional calendar days
1. Every transaction carried out through SURI related to Sales and Use Tax, with due dates on September and October 2017.	Postponed for 7 calendar days, after the established dates on CC 17-13, BI 17-17 and BI 17-18
2. Excise tax payments for the acquisition of certain personal property and services for the months of August and September 2017	Postponed until Friday, October 6, 2017 and Friday, October 20, 2017, respectively.

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ADDITIONAL EXTENSION OF DUE DATES FOR THE FILING AND PAYMENT OF VARIOUS TAX DECLARATIONS (CONTINUED)

When interpreting all of the communications in order of issuance, the postponement of the dates results in the following (the following list is not all inclusive):

Regular Taxpayers				
Filing/Payment	Original Due Date	CC 17-13	BI 17-18	BI 17-21
Tax on Imports Monthly Return	9/10/2017	9/18/2017	-	10/8/2017
Estimated Income Tax Payment	9/15/2017	9/22/2017	9/27/2017	10/17/2017
Deposits	9/15/2017	9/22/2017	9/27/2017	10/17/2017
August Monthly Sales and Use Tax Return	9/20/2017	-	9/27/2017	10/17/2017

Large Taxpayers				
Filing/Payment	Original Due Date	CC 17-13	BI 17-18	BI 17-21
Tax on Imports Monthly Return	9/10/2017	9/18/2017	-	9/25/2017
Estimated Income Tax Payment	9/15/2017	9/22/2017	9/27/2017	10/17/2017
Deposits	9/15/2017	9/22/2017	9/27/2017	10/17/2017
First September SUT Bi-Monthly Payment	9/15/2017	9/22/2017	9/27/2017	10/4/2017
August Monthly Sales and Use Tax Return	9/20/2017	-	9/27/2017	10/4/2017

Notes:

[1] Deposits with due dates on 9/19/2017 through 10/20/2017 will be extended for 20 calendar days.

[2] If the new due date, after the 20 days' postponement, falls on a Saturday, Sunday or a Holiday, the due date would be the next working day.

Pursuant to Administrative Determination 17-15, the PRTD exempted Regular Taxpayers from the bi-monthly Sales and Use Tax deposit requirements for the period between September 1, 2017 and November 30, 2017. The PRTD also expressed that if a merchant wishes to file the Import Declaration (Model SC 2970),

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ADDITIONAL EXTENSION OF DUE DATES FOR THE FILING AND PAYMENT OF VARIOUS TAX DECLARATIONS (CONTINUED)

Tax on Imports Monthly Return (Model SC 2915 D), or the Monthly Sales and Use Tax Return with the corresponding payment (Model SC 2915), they can do so through the PRTD's SURI system. Taxpayers that have a Rehabilitation Plan in place, pursuant to Circular Letter 17-05, or any other repayment plan, will not be subject to the imposition of sanctions, interests or penalties, resulting from non-compliance of the plan, for the period between September 1, 2017 and December 31, 2017. Additionally, Licenses of taxpayers that had to be renewed in September 2017 or will have to be renewed in October 2017 will be valid for an additional two (2) months, from the due date of the renewal date.

IRS TAX RELIEF

The Internal Revenue Service has also issued two (2) Tax Reliefs Notices for victims of the natural disasters in Puerto Rico, which resulted in the inclusion of certain Municipalities of the Island under the disaster area definition of Treasury Regulation 301.7508A-1(d)(1).

Hurricane Irma

After Hurricane Irma, the Internal Revenue Service ("IRS") issued on September 12, 2017 the first Tax Relief Notice, which provides that, for individuals who reside or have a business in 32 of the 78 Municipalities, and for certain deadlines falling on or after September 5, 2017 and January 31, 2018, the IRS provided additional time to file, through January 31, 2018. This includes taxpayers who had a valid extension to file their 2016 return that was due to run out on October 16, 2017. Therefore, it includes:

Filing/Payment	Original Due Date	New Due Date
Quarterly Estimated Income Tax Payments	9/15/2017 and 1/16/2018	1/31/2018
Quarterly Payroll and Excise Tax Returns	10/31/2017	1/31/2018

The Notice also includes tax-exempt organizations that operate with a calendar-year and had an automatic extension due on November 15, 2017, with the new due date falling on January 31, 2018, and abates penalties on payroll and excise tax deposits due on or after September 5, 2017 and before September 20, 2017, if deposits were made by September 20, 2017.



ADDITIONAL EXTENSION OF DUE DATES FOR THE FILING AND PAYMENT OF VARIOUS TAX DECLARATIONS (CONTINUED)

Hurricane Maria

Upon the passing of Hurricane Maria, the IRS issued a second Tax Relief Notice, which expands to list of Municipalities considered as disaster area, to include the 78 Municipalities of PR. Deadlines falling on or after September 17, 2017 and before January 31, 2018 were granted additional time to file through January 31, 2018. This includes taxpayers that had a valid extension to file their 2016 return that was due on October 16, 2017. It also includes:

Filing/Payment	Original Due Date	New Due Date
Quarterly Estimated Income Tax Payments	1/16/2018	1/31/2018
Quarterly Payroll and Excise Tax Returns	10/31/2017	1/31/2018

The Notice includes tax-exempt organizations that operate on a calendar-year and had an automatic extension due on November 15, 2017, with the new due date falling on January 31, 2018. It also abates penalties on payroll and excise tax deposits due on or after September 17, 2017 and before October 2, 2017, if deposits were made by October 2, 2017.

Please note that the deadline periods that fall under the relief differ depending on the Municipality, and therefore, a closer look of the list of the Municipalities must be provided, for taxpayers that wish to obtain these reliefs.

At RSM Puerto Rico we are ready to help you with these matters. If you have any questions or comments related to the content of this Tax Alert, please feel free to contact your Tax Advisor at RSM Puerto Rico.