

# Estate planning notes

## Filing and payment of Puerto Rico estate tax

Executors named to administer estates must be aware of the tax filing requirements related to these estates.

**Due date** - The Puerto Rico estate tax return is due on or before nine months immediately after the decedent's death.

**Extension of time to file** - A three-month extension to file is available upon request. The request must be filed not later than the ninth month immediately after the date of death. If the executor or the person responsible for filing the return is outside Puerto Rico then, a six-month extension will be available.

**Lien on gross estate** - In general, a lien is imposed on the gross estate until all taxes due to the Commonwealth of Puerto Rico are satisfied/paid.

Prohibited actions without prior cancellation of the estate tax:

- distribution, partition, sale, delivery, assignment or foreclosure of an estate;
- recording of real property by the Property Register;
- opening a safe deposit box that was leased to a decedent without a representative of the Secretary of Treasury being present;
- delivering to heirs, legatees or beneficiaries funds, deposited in a financial institution in the name of the decedent, in excess of \$15,000 or 25% of such funds, whichever is greater;

- delivering to a beneficiary of an insurance policy on the life of the decedent an amount in excess of \$5,000 or 40% of the proceeds of the policy, whichever is greater.

**Extension of time for payment** - when the payment may constitute a burden on the taxpayer, the Secretary of the Treasury may, upon written request, extend the date for payment of the estate tax for a term not exceeding ten years from the date of death. In the case of deficiencies determined by the Secretary the term will not exceed three years from the date of imposition and assessment of the deficiency.

When an extension of time to pay is granted, the Secretary may request a bond as a guarantee for the payment.

**We can help you understand the complex estate tax rules and create an estate plan with you. We provide sound and practical solutions to minimize the effect of taxes on your estate.**

**Formalize your wishes in an estate plan. It is an important step that cannot wait.**



### Contact us

For assistance in this matter, please contact us via [maria.rivera@pr.gt.com](mailto:maria.rivera@pr.gt.com), [lina.morales@pr.gt.com](mailto:lina.morales@pr.gt.com), [francisco.luis@pr.gt.com](mailto:francisco.luis@pr.gt.com) or [isabel.hernandez@pr.gt.com](mailto:isabel.hernandez@pr.gt.com)



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Through the **Kevane Grant Thornton business and tax application for mobile devices** you will have access to our Alerts, Tax News and other related matters, plus a customized tax calendar for individuals, businesses and other entities, thus providing an excellent tool to manage filing and payment due dates with government agencies in Puerto Rico.

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