On June 30, 2026, the Puerto Rico Department of Treasury ("PRTD") issued Internal Revenue Circular Letter No. 26-13 ("IR CL 26-13") to implement one of the most important changes to the SURI platform in recent years, and a significant change in the administration of the Municipal Sales and Use Tax ("Municipal SUT"). Effective with the SUT Monthly Return for July 2026, due on August 20, 2026, the filing and payment of the Municipal SUT for 73 participating municipalities ("Participating Municipalities") will be integrated into the Unified Internal Revenue System ("SURI").

Background

Act 72-2025 amended Section 6080.14 of the Puerto Rico Internal Revenue Code of 2011 to establish a framework allowing the PRTD and the municipalities to collaborate on the administration of the Municipal SUT. Pursuant to an agreement executed between PRTD and the Municipal Financing Corporation ("COFIM"), PRTD will now receive and process Municipal SUT information and payments through SURI for Participating Municipalities.

Separated Sales and Use Accounts in SURI

PRTD has automatically divided each merchant's existing Sales and Use account into two separate accounts within SURI:

1. Sales and Use – State
2. Sales and Use – Municipal

The **Sales and Use – State account** will remain the primary account for filing the SUT Monthly Returns, maintaining registration information, and paying the state SUT liabilities.

The **Sales and Use – Municipal account** will be used exclusively to reflect and pay Municipal SUT liabilities reported on the SUT Monthly Return, including tax on imported property for use, multilevel transactions, and sales that cannot be attributed to a particular Puerto Rico location.

New SUT Monthly Return

PRTD issued a new version of the Sales and Use Tax and Tax on Imports Monthly Return (Form SC 2915) to capture additional information necessary for Municipal SUT reporting. Merchants must now report both taxable and exempt transactions relevant to Municipal SUT purposes for the Participating Municipalities through the updated return. This new version incorporates the following three (3) new schedules:

- Schedule 7 – Summary of Sales by Municipality
- Schedule 8 – Use of Inventory and Auto-consumption
- Schedule 9 – Reconciliation of Sales of Taxable and Exempt Tangible Personal Property at Municipal Level

For Schedule 5 – Admissions (Public Shows), the revised return requires the physical location of the event so that SURI can identify the municipality entitled to the Municipal SUT collected on ticket sales.

Filing and Payment Procedures

IR CL 26-13 establishes that beginning with the SUT Monthly Return for July 2026, merchants must file a single consolidated SUT Monthly Return in SURI covering both state and municipal components for Participating Municipalities. The consolidated filing functionality will become available on August 1, 2026.

The process of reporting information on the SUT Monthly Return will continue to be performed by business location. Accordingly, merchants must continue reporting information for all registered business locations, regardless of whether those locations are located within a Participating Municipality.

The system will automatically aggregate the reported taxable and exempt sales data for each location to attribute the corresponding Municipal SUT to the applicable Participating Municipalities. This attribution will be based on the address and municipality reflected in the Merchant's Registration for each location. As a result, merchants will not be required to file a separate monthly return with COFIM or with any Participating Municipality for purposes of reporting the Municipal SUT.

Although reported on one return, State SUT and Municipal SUT must be paid separately through SURI.

The Municipal SUT liability reported on the return will be posted as a single balance in the **Sales and Use – Municipal account.** Merchants will make one payment covering all Participating Municipalities, while SURI will internally allocate the collections among the municipalities based on the information reported. Consequently, merchants will no longer be required to make separate municipal payments.

Non-Participating Municipalities

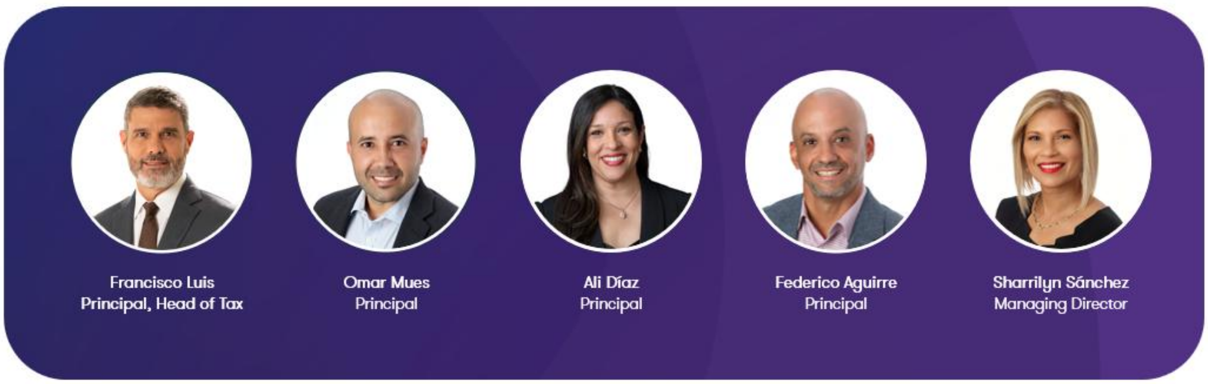
The consolidated SURI filing process applies only to Participating Municipalities. Accordingly, for Non-Participating Municipalities, the Municipal SUT will not be calculated through SURI, even though the SUT Monthly Return continues to require the reporting of certain information for all municipalities, including Non-Participating Municipalities.

In these cases, merchants will remain responsible for complying with the filing requirements of the Municipal SUT Monthly Return with each Non-Participating Municipality. Such filings must be submitted using the portal and procedures established by the respective municipalities for the reporting and remittance of the applicable Municipal SUT.

The Non-Participating Municipalities are:

- Bayamón
- Carolina
- Guaynabo
- Mayaguez
- San Juan

The objective of this integration into SURI is to simplify merchants' compliance, promote consistency in Municipal SUT administration, and reduce operational differences among municipalities. However, businesses operating in both Participating and Non-Participating Municipalities will need to carefully evaluate their compliance processes to ensure proper reporting and payment obligations continue to be met under the revised framework.



DISCLAIMER: This update and its content do not constitute advice. Clients should not act solely on the basis of the material contained in this publication. It is intended for information purposes only and should not be regarded as specific advice. In addition, advice from proper consultants should be obtained prior to taking action on any issue dealt with this update. The information provided in this publication may change in the future and such changes may be applied.