

Outsourcing Alert: IRS Publication 179-2015 Puerto Rico Employer's Tax Guide

On March 4, 2015, the Internal Revenue Service (IRS) issued Publication 179, a Spanish version of IRS Publication 15, which is dedicated to Puerto Rico Employers.

This 2015 Federal Tax Guide should be used by employers whose principal business is located in Puerto Rico or who have employees subject to the requirements for withholding, depositing, reporting, paying, and correcting employment taxes. It explains the forms you must give to your employees, those your employees must give to you, and those you must send to the IRS and SSA.

What's new and reminders

Outsourcing payroll duties

Employers are responsible to ensure that tax returns are filed and deposits and payments are made on time, even if the employer contracts a third party to perform these acts. The employer remains responsible if the third party fails to perform any required action.

If you choose to outsource any of your payroll and related tax duties (that is, withholding, reporting, and paying over social security, Medicare, FUTA, and income taxes) with a third-party payer, you must ensure that the third-party contracted complies with their payroll obligations.

Leave-based donation programs to aid victims of the Ebola Virus Disease (EVD) outbreak in Guinea, Liberia, and Sierra Leone

Under these programs, employees may donate their vacation, sick, or personal leave in exchange for employer cash payments made

before January 1, 2016, to a qualified tax-exempt organizations providing relief for the victims of the EVD outbreak in Guinea, Liberia, and Sierra Leone. The donated leave will not be included in the income or wages of the employee. The employer may deduct the cash payments as business expenses or charitable contributions.

Severance payments

Severance payments are subject to social security and Medicare taxes, and FUTA tax. For additional information, please refer to the Tax Guide-Special Rules for Various Types of Services and Payments.

Link

Publication 179 – 2015 Federal Tax Guide for Puerto Rico Employers
<http://www.irs.gov/pub/irs-pdf/p179.pdf>



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