

Outsourcing Alert: Changes in 2016 Informative Returns reporting requirements

The Puerto Rico Treasury Department (PRTD) has issued the Informative Bulletin No. 16-06 to inform changes in Informative Returns Reporting Requirements.

Significant changes

The most important change in 2016 Reporting Requirements is the inclusion of the payments made not subject to withholding in excess of \$1,500 to those who comply with one of the exemptions included in the paragraphs (2) and (14) of Section 1101.01 of the Code in **Forms 480.6As**.

Detail of exemptions are:

- payments made to hospitals, clinics, homes for terminally ill patients, homes for elderly and institutions for disabled persons
- payments made to exempt organizations
- earnings or profit generated by direct salespersons for the sale of consumer products
- payments made to contractors or subcontractors for construction work
- payments for services rendered to individuals, corporations or partnerships during the first three years of their commencement of rendering of service activity
- payments to the Government of Puerto Rico, its agencies, public corporations and/or political subdivisions.
- payments to a bona fide farmer
- payments made directly or through agents, representatives or other intermediaries, to an eligible carrier.
- payments made by an eligible carrier to a nonprofit entity for purpose of bookkeeping, recording, reporting and collection of air or sea transportation ticket sales and other related services.

- payments for ecclesiastic services rendered by priests or other ministers of the gospel, including Hebrew rabbis.
- payments for services rendered outside of Puerto Rico.

In the case of payments for services rendered to an individual, who has an employer identification number, you must include such identification number and the Amount paid – Box 1, (Payments for Services Rendered by Individuals).

Remember: before filing **2016 Form 480.6B** it is required to obtain the waiver certificate number.

Links:

Informative Bulletin 16-06

http://www.hacienda.gobierno.pr/sites/default/files/publicaciones/2016/12/publication_16-06.pdf



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