

# Tax Alert: Puerto Rico 2017 tax due dates

Tax season is upon us and thus, the filing and payment of taxes becomes the main topic. Though dreaded by both taxpayers and tax professionals, April 15 merely a road post signaling that the tax season has merely just begun.

## Income Taxes

As a general rule, the Income Tax Return for individuals and corporations is due on or before the 15<sup>th</sup> day of the fourth month following the close of the entity's taxable year. For calendar year taxpayers - that is, those whose tax year ended on December 31, 2016 - the corresponding due date this year is **April 18, 2017**.

A three-month extension is allowed for both individuals and corporations. An additional extension is granted to individuals located outside of Puerto Rico whenever appropriate evidence is presented.

In the case of partnerships, special partnerships and corporation of individuals, the corresponding income tax returns are due on the 15<sup>th</sup> day of the third month following the close of its taxable year. This means that for entities using a calendar year end, taxes will be due on March 15. A three-month extension is also allowed.

For its part, 2017 estimated income tax payments for Corporations and Pass-Thru Entities are due on:

- April 18, 2017
- June 15, 2017

- September 15, 2017, and
- December 15, 2017

In the case of individuals, installments are due on:

- April 18, 2017
- June 15, 2017
- September 15, 2017, and
- January 15, 2018

## Property Taxes

Taxpayers that are required to file Personal Property Tax returns must do so no later than May 15, 2017. A three-month extension is available upon request. The extended filing date for this year is August 15, 2017.

Similarly to Income Tax, estimated Personal Property Tax payments are made in four installments:

- August 15, 2017
- November 15, 2017
- February 15, 2018, and
- May 15, 2018

## Annual Reports

Corporations must file an annual report on or before April 15. Said report must be filed electronically by an officer of the Corporation or authorized representative, and if the annual volume of business exceeds \$3,000,000, must be accompanied by the Corporation's balance sheet at the close of the preceding fiscal year, audited by a certified public accountant licensed in Puerto Rico who cannot be a stockholder or employee of the corporation.



### 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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**March 15, 2017**

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Each annual report must be accompanied by a \$150 fee.

For the Taxable Year 2016, the filing date is **April 17, 2017**.

If unable to file on the specified date, an extension must be requested which grants additional time until June 16, 2017. Notwithstanding, an additional extension may be requested until July 17, 2017 subject to a \$30 fee.

In the case of Limited Liability Companies, the corresponding annual report is known as the Annual Fee and is subject to the same filing fee as the regular corporations. Nonetheless, extensions are not allowed for the filing of Annual Fees.

#### Volume of Business Declaration (Municipal License Tax)

The municipal license tax annual return or declaration must be filed every year on or before April 15, or *within five working days* after April 15. The municipal license tax may also be paid in two equal installments, with the first installment payable on or before July 15, while the second installment is due on or before January 15. Nonetheless, if the total municipal license tax is paid by April 15, a 5% discount will be applied.

The Municipality can allow a six-month filing extension, at the taxpayer's request.

However, the phrase "*within five working days*" has been subject to diverging interpretations from municipalities causing issues in determining when the actual due date should be. On this regard, it is highly recommended that these returns be filed no later than April 18, 2017 to steer clear of contradicting interpretations and avoid any late filing issues.

Note that the aforementioned returns allow for **filing** extensions – not payment.

Therefore, the tax responsibility due for each of these must be paid on the initial filing date.

**Please contact our Tax Department should additional information is required regarding this or any other tax issue. We will be glad to assist you.**