



Tax



Return



Taxpayer

Payment plan for the 2017 Income Tax Return

April 17, 2018

Yesterday, April 16, 2018, the Puerto Rico Treasury Department (the “PRTD”) issued Internal Revenue Circular Letter No. 18-06 to establish the terms and conditions for the procurement and issuance of Payment Plans for the 2017 Income Tax Return.

Payment Plan 2017 Income tax return

Every taxpayer who has the obligation to file an Income tax return for taxable year 2017 and that at its filing date does not have the economic resources to remit the balance of tax due reflected on such return may request a payment plan for its 2017 tax return. To request the payment plan, the taxpayer must file the corresponding Income Tax Return by April 17, 2018 or the fourth (4th) month after the close of its taxable year. Therefore, the payment plan option for the 2017 tax return is **NOT** available for taxpayers who decide to file an automatic extension of time to file its 2017 Income tax return.

(Please note that today, April 17, 2018 the PRTD issued Internal Revenue Informative Bulletin No. 18-10 to postpone the filing date from April 17, 2018 to April 20, 2018 due to a communication system failure that precluded taxpayers from filing their income tax returns and/or payments).

The payment plan for the 2017 income tax return will be granted with the following terms and conditions:

1. the taxpayer commits to file monthly payments until the tax debt is paid in full, including the applicable interests;

2. the tax debt must be paid in full by the taxpayer within a minimum of three (3) months or a maximum period of twelve (12) months, beginning the approval date of the payment plan;
3. the taxpayer will make the monthly payments **only** through direct debit, as the PRTD will not accept any other payment method.

PRTD will not require, as a condition for the granting of a plan, a payment guarantee from the taxpayer nor will it will require a down payment. However, the PRTD reserves the right to require the down payment should the facts and circumstances of the taxpayer require so. Once the taxpayer finalizes with its 2017 payment plan, PRTD will proceed to eliminate the corresponding surcharges.

With the approval of the 2017 payment plan, the taxpayer agrees to fully comply with the provisions of the Puerto Rico Internal Revenue Code of 2017, as amended (the “Code”), on a prospective manner. If the taxpayer fails to meet the terms and conditions of the payment plan, the PRTD will consider the agreement terminated and will proceed to impose the fines, surcharges and penalties that had been abated.

Application Process for Payment Plan 2017 Income tax return

All taxpayers interested in availing themselves of a payment plan must submit an

- i. Automatic Payment Plan Request and Agreement through the filing of Form SC 3509 (Individuals) or Form SC 3510 (Business or Corporations),
- ii. filing evidence of the 2017 Income tax return and
- iii. the Power and Declaration of Representation (Form SC 2745), in case that the taxpayer has an authorized representative for the payment plan process with the PRTD.

The Automatic Payment Plan Request and Agreement applicable form must be filed no later than May 17, 2018. In the case of taxpayers with an economic tax year, the request must be filed not later than the due date established on the Code to file its 2017 Income tax return, without any automatic extension

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



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