



Tax



Business



Taxpayer

Corporation income tax returns – e-filing guidance

March 20, 2019

Pursuant to the provisions of Act No. 1 of January 31, 2011, as amended, known as the Internal Revenue Code for a New Puerto Rico (the “Code”), every corporation, foreign or domestic, engaged in trade or business in Puerto Rico, shall file a return stating specifically the items of its gross income and the deductions and credits allowed, and such other information. As a general rule, returns filed on the basis of the calendar year shall be filed on or before the 15th day of April. Returns filed on the basis of a fiscal year shall be filed on or before the 15th day of the 4th month following the close of the fiscal year.

The return is submitted by filing Form 480.20, also known as a Corporation Income Tax Return.

Internal Revenue Circular Letter No. 19-08 (“the Letter”)

The Letter states the filing deadlines for certain corporation income tax returns:

- corporations with a calendar year – **April 15, 2019**;
- corporations with a fiscal year – **The 15th day of the 4th month** following the close of the fiscal year; or
- foreign corporations with no office or place of business in Puerto Rico – **The 15th day of the 6th month** following the close of the fiscal year.

For taxable year 2018, (1) **corporations** or (2) **limited liability companies taxed as corporations** (“LLCs”), are **required to file** their tax return **electronically**. Nevertheless, the following are **exceptions** to the electronic filing:

- foreign corporation not engaged in trade or business in Puerto Rico that is only reporting a sale of real property located in Puerto Rico which occurred after December 31, 2018;

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- foreign corporation with income related to a trade or business in Puerto Rico according to Section 1035.05 (Schedule U);
- foreign corporation that is not located in Puerto Rico and whose only income from Puerto Rico sources is the distributable share from a pass-through entity engaged in trade or business in Puerto Rico;
- corporation in liquidation prior to the close of their taxable year and must file a last return immediately;
- corporation that is filing a return with a taxable year of less than 12 months that begins and ends within the same calendar year;
- corporation with a 52-53-week taxable year;
- corporation that claims the tax credits determined on Schedules Q and Q1;
- corporation that cannot file the return or automatic extension of time electronically because of an error with Employer Identification Number or because of a system error (**code error 222, 223, 4000, 4100**); or
- corporation that is not required to be registered in the Merchant's Registry because it is not operating in Puerto Rico.

Corporations or LLCs filing under the abovementioned exceptions must accompany their Tax Return with Form 483.4, titled “Exception to Electronic Filing Corporation Income Tax Return”.

In addition, those corporations or LLCs that are required to file their tax return electronically and accompany it with required documentation or evidence (i.e. audited financial statements, tax credits), must access the Puerto Rico Treasury Department’s digital platform known as “E-Forms” to electronically file such documentation or evidence. Furthermore, corporations or LLCs classified as **Large Taxpayers** in accordance with Section 1010.01(a)(35) of the Code, that are required to file their tax return electronically, will not be required to file a paper copy with the Department’s Large Taxpayers Unit.



Lastly, corporations or LLCs required to file their tax return electronically with a tax due balance, must submit the payment on or before the due date under one of the following methods:

- electronically, by direct debit from a checking or savings account, or
- personally, at the Department's headquarters in Old San Juan, or one of its Internal Revenue Offices throughout the Island, with a credit or debit card, cash, checks or money orders payable to the "Secretary of Treasury".

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



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