



# Tax updates from Puerto Rico Department of Treasury

**April 20, 2020**

During the past few days, the Puerto Rico Treasury Department has issued various communications to aid taxpayers during the actual COVID 19 emergency.

- **Sales and Use Tax on prepared foods:**

As previously reported on [March 19, 2020](#), an exemption of the Sales and Use Tax (“SUT”) on prepared foods was in place until April 19, 2020 (Administrative Determination 20-08). Since the state of emergency has been extended until May 3, 2020, the Treasury Department has extended this exemption until May 3, 2020 (Administrative Determination 20-11). The exemption does not apply to alcoholic beverages.

- **Special distributions from pension plans and IRAs**

On our [April 7, 2020 Tax Alert](#), we detailed the requirement that must be met in order to benefit from distributions from pension plans and IRAs to satisfy expenses and costs incurred due to the actual emergency. One of the requirements was the sworn statement that the participant must provide in order to get the special disaster distribution. The Department of Treasury, recognizing that the requirement of the sworn statement under the actual circumstances presents a challenge to taxpayers, issued Internal Revenue Circular Letter 20-24 to eliminate the requirement of the sworn statement before a notary. Nevertheless, the application for the special disaster distribution must contain all the information required and signed by the participant under penalty of perjury.

- **Law 40-2020**

On Thursday, April 16, 2020, The Governor of Puerto Rico signed into law P. de la C. 2419. This Act includes amendments to several laws, including the Puerto Rico Internal Revenue Code of 2011 and the Puerto Rico Incentives Code (Act 60-2019). We are in the process of summarizing the changes included therein and will provide an update during the next days.

We will continue with our commitment to keep you up to date with these tax-related developments. 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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