



MEMORANDUM TO CLIENTS AND FRIENDS

November 14, 2006

PR Treasury Issues New Tables for Income Tax Withholding on Wages

The Puerto Rico Treasury Department recently issued new Puerto Rico income tax withholding tables for wages paid after December 31, 2006. The Instruction to Employers booklet in Adobe Acrobat (PDF) format is available on the PR Treasury's website at:

<http://www.hacienda.gobierno.pr/downloads/pdf/publicaciones/TABLAS%20DE%20RETENCION%202007.pdf>.

The new tables take into consideration the lower tax brackets applicable for wages under \$50,000 paid in year 2007, and should generally result in lower tax withholdings for wages paid after December 31, 2006.

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If you have any questions or comments, or wish additional information, please contact any of the attorneys listed below, members of our Tax Department:

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