



November 17, 2014 [www.mcvpr.com](http://www.mcvpr.com)

## TAX ALERT

### ***Automatic Release of Imports Repealed Effective November 18, 2014***

On November 6, 2014, the Puerto Rico Department of the Treasury ("Treasury") issued [Administrative Determination No. 14-27](#) ("AD 14-27") to:

- (1) repeal the alternative procedure established in Administrative Determinations No. 14-15 of August 5, 2014 ("AD 14-15") and No. 14-20 of August 29, 2014 ("AD 14-20"), only with respect to importers with a use tax bond ("Bond") in place ("Bonded Importers"); and
- (2) reestablish the procedure provided in the Internal Revenue Circular Letter No. 14-06 of July 24, 2014 ("CL 14-06") in connection with the declaration, reporting and payment of the use tax on taxable items imported into Puerto Rico ("Use Tax") with respect to Bonded Importers only.

As previously informed, Treasury issued AD 14-15 to temporarily suspend the procedure established in CL 14-06, to electronically declare, report and pay the Use Tax on imported property through Treasury's Merchant's Integrated Portal ("PICO" for its Spanish acronym). Thereafter, Treasury issued AD 14-20 to establish an alternative procedure to complete and submit the Declaration of Imports through PICO in those instances in which Treasury authorized the automatic release of the imported property pursuant to the AD 14-15 ("Complementary Declaration"). The provisions of AD 14-15 and AD 14-20 were in effect until Treasury notified in writing that the procedures provided in CL 14-06 were reestablished. See our [August 7, 2014](#) and [September 3, 2014](#) Tax Alerts.

Through AD 14-27, Treasury repeals the alternative procedure established pursuant to AD 14-15 and AD 14-20, only with respect to Bonded Importers, effective November 18, 2014. Consequently, as of November 18, 2014 and thereafter, Bonded Importers will not be able to obtain automatic release of the taxable items imported into Puerto Rico and will be required to follow the procedure provided in CL 14-06, which requires the filing of the Declaration of Imports prior to taking possession of taxable items. See our August 7, 2014 Tax Alert. Please note that Bonded Importers that do not have available Bond-balance, will have to pay the Use Tax prior to taking possession of the taxable items.

As provided in AD 14-27, Bonded Importers will declare the Use Tax on imports between November 1, 2014 and November 16, 2014, through the alternative procedure provided in AD 14-15 and AD 14-20 (i.e., the Complementary Declaration) no later than December 10, 2014 and prior to filing the Tax on Imports Monthly Return (Form AS 2915.1D), which is also due on December 10, 2014. Treasury has unofficially clarified that the Complementary Declaration to be filed by December 10, 2014, should also cover imports made on November 17, 2014, although such date is not specifically covered by AD 14-27.

Bonded Importers must include the cost of the imported property on the Complementary Declaration that should be filed by December 10, 2014. Such information, in turn, should be the same contained in the related bills of lading and commercial invoices for the period from November 1, 2014 to November 17, 2014.

If you have any questions, you may contact any of the attorneys of our Tax Practice Group listed below:

Roberto L. Cabañas	787-250-5611	<a href="mailto:rlc@mcvpr.com">rlc@mcvpr.com</a>
Isis Carballo	787-250-5691	<a href="mailto:ici@mcvpr.com">ici@mcvpr.com</a>
Yamary González	787-250-5687	<a href="mailto:yg@mcvpr.com">yg@mcvpr.com</a>
Esteban R. Bengoa	787-250-5626	<a href="mailto:erb@mcvpr.com">erb@mcvpr.com</a>
Angel S. Ruiz	787-250-2602	<a href="mailto:asr@mcvpr.com">asr@mcvpr.com</a>
Leyla González	787-250-5696	<a href="mailto:lgi@mcvpr.com">lgi@mcvpr.com</a>
Mariana G. Contreras	787-250-5607	<a href="mailto:mcg@mcvpr.com">mcg@mcvpr.com</a>
Rubén Muñiz	787-250-2623	<a href="mailto:rm@mcvpr.com">rm@mcvpr.com</a>
Lillian Toro-Mojica	787-250-2608	<a href="mailto:ltm@mcvpr.com">ltm@mcvpr.com</a>
Edwin O. Figueroa	787-250-5690	<a href="mailto:eof@mcvpr.com">eof@mcvpr.com</a>