



April 26, 2011

www.mcvpr.com**TAX ALERT*****REMINDER: Annual Report for Exempt Businesses DUE 30 DAYS AFTER DUE DATE FOR FILING PUERTO RICO INCOME TAX RETURN (MAY 16, 2011 FOR EXEMPT BUSINESSES with a TAXABLE YEAR ENDED DECEMBER 31, 2010)***

The Economic Incentives for the Development of Puerto Rico Act, Act. No. 73 of May 28, 2008 (the "Act"), requires of every business with a grant of tax exemption issued under the Act (the "Exempt Business") to annually file a report (the "Annual Report") with the Office of Industrial Tax Exemption ("OITE") no later than thirty (30) days after the due date for filing the Puerto Rico income tax return of the Exempt Business, including any extension to file the return. Please note that for an Exempt Business with a taxable year ended December 31, 2010, the due date to file the Annual Report is **May 16, 2011**, assuming an extension to file such return was not requested and/or approved.

Effective April 4, 2011, the Annual Report must be completed electronically at OITE's webpage, at <http://www.oeci.gobierno.pr/>. The Annual Report shall contain a breakdown of the Exempt Business' information reflecting its compliance with the conditions established in the grant of tax exemption for the taxable year ended immediately before the due date of the Annual Report.

After the Annual Report is completed, it must be saved within OITE's webpage and printed for authentication before a Puerto Rico Public Notary. The Annual Report must be authenticated by the signature of the president, managing partner, or authorized representative of the Exempt Business.

The executed Annual Report must be filed with OITE no later than thirty (30) days after the due date for filing the Puerto Rico income tax return of the Exempt Business, including any extension to file such return. The executed Annual Report shall be accompanied by post office or bank money order or a certified check in the amount of **\$300.00**, payable to the Secretary of Treasury.

A copy of the executed Annual Report must be filed with the Puerto Rico Secretary of Treasury and the Executive Director of the Puerto Rico Industrial Development Company on or before the same due date.

If you have any questions or would like our assistance to submit your Annual Report, you may call any of the following members of our Tax and Tax Exemption groups:

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