

## Changes in Sales and Use Tax Reporting

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### An McV Tax Alert

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The Puerto Rico Department of the Treasury (“Treasury”) has published Internal Revenue Circular Letter No. 16-13-RI of October 18, 2016 (“CL 16-13”), to: (1) inform the consolidation of the current three sales and use tax monthly returns into one return; (2) establish the information required to prepare and submit this new return; and (3) inform the obligation to file any sales and use tax (“SUT”) information through the Internal Revenue Unified System (“SURI” for its Spanish acronym) and its new features.

For transactions that occurred prior to October 1<sup>st</sup>, 2016, merchants were required to report and pay the state portion of the SUT with respect to the 10.5% SUT on taxable items, the 6% SUT on preexisting contracts and auctions, and the 4% SUT on certain services using up to three separate SUT monthly returns (i.e., Form AS 2915.1 A, Form AS 2915.1 E and Form AS 2915.1 F), as applicable. Pursuant to CL 16-13, all three SUT monthly returns will be consolidated into one new Sales and Use Tax Monthly Return, Form AS 2915.1 (“New Return”), and merchants must report **all** transactions subject to SUT reporting occurring after September 30, 2016, through SURI using the New Return. Although the New Return should be available in SURI on November 1, 2016, Treasury has placed an informational New Return in its website.

CL 16-13 also establishes that effective October 31, 2016, all SUT transactions must be reported through SURI, including those conducted prior to October 1<sup>st</sup>, 2016.

#### Information required and new features of the New Return

The first New Return must be filed through SURI by November 20, 2016.

- Transactions must be reported separately by each commercial location.
- If no transactions are conducted, merchants must check a box provided for this purpose.
- If a merchant makes purchases from other merchants for resale, it will be required to submit information such as the name of the seller and its merchant’s registration number, a description of the property purchased, the invoice number, and the commercial value of the property.

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- For admission rights, merchants must submit the name of the event, the period when tickets will be sold, the amounts collected, and the value of exempt admissions.
- A template will be available in SURI that once completed and uploaded will allow the merchant to automatically populate the New Return with the above information.
- Merchants will be able to withdraw a filed New Return and file the same return in the same day and prior to SURI's daily processing hour, without being considered to have amended the withdrawn return.
- Merchants will be identified by a *Taxpayer Identification Number* that will substitute the social security employer identification number on the New Return.
- SUT credits will be shown in a separate report to be identified as *My Credit Balances*
- Sales and Use Tax Monthly Returns for periods prior to October 2016 must also be filed through SURI following the rules applicable to the corresponding reporting period. But the fields related to SUT credits will not be populated automatically because credit balances will be maintained in the new *My Credit Balances* feature.

You may access more information [here](#).

As indicated in our McV Tax Alert of October 5, 2016, the following websites will be shut down on the following dates and times:

- [ivu.hacienda.gobierno.pr](http://ivu.hacienda.gobierno.pr) — October 27, 2016 at 4:00pm
- [comerciantes.hacienda.pr.gov](http://comerciantes.hacienda.pr.gov) — October 28, 2016 at 3:45 pm (PICO)

Merchants should copy and save data stored in these websites prior to the scheduled dates and times because data it will not be available after shut down.

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