

## Extension of Due Dates for Certain Payment and Filing Obligations

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### PRACTICE AREAS

- Sales & Use Tax
- Tax

### An McV Tax Alert

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As indicated in our November 29, 2018 Tax Alerts regarding *Transition to SURI: Phase 2* and *Transition to SURI: Informative Declarations*, the Puerto Rico Treasury Department (“PR Treasury”) is transitioning the reporting of the following transactions through the Internal Revenue Unified System (“SURI,” for its Spanish acronym):(1) income tax withholding on wages, services or other transactions subject to income tax withholding, (2) transactions exempt from income taxes or income tax withholding that are subject to reporting, (3) gift and estate taxes, (4) excise taxes, (5) alcoholic beverage taxes, and (6) internal revenue licenses, among others. These transactions have been identified by PR Treasury as “Phase 2-Transactions.”

Informative Bulletin No. 19-02, issued by PR Treasury on January 29, 2019 (“IB 19-02”), extended until **February 28, 2019** the due date to report and remit payments related to Phase 2-Transactions that were due between December 10, 2018 and February 28, 2019, both inclusive. IB 19-02 further provides that no interest, surcharges, penalties or fines will be imposed as long as the Phase 2-Transaction (i.e., the filing or payment) is completed no later than February 28, 2019. This extension includes the “Wage Withholding Statement,” Forms 499R-2/W-2PR and the “Reconciliation Statement of Income Tax Withheld,” Forms 499 R-3, generally due by January 31<sup>st</sup> of every calendar year. No further extensions will be granted to employers to file these forms after February 28, 2019.

IB 19-02 clarifies that Phase 2-Transactions do not include transactions related to sales and use taxes (“SUT”). Therefore, SUT transactions must be reported, and taxes should be remitted, by the applicable due date.

To access IB 19-02, please follow this link.

IB 19-02 was immediately followed by PR Treasury’s Internal Revenue Informative Bulletin No. 19-03 (“IB 19-03”), which extended until **July 1, 2019** the due date to provide the annual notice to Puerto Rico customers (“Notice”) required by Section 4041.03(b)(1)(C) of the Puerto Rico Internal Revenue Code of 2011 (“Code”) to non-withholding agents engaged in mail order sales (i.e., generally the sale of tangible personal property from abroad). In general, non-

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withholding agents engaged in mail order sales are not required to collect the SUT, but instead are required to comply with certain notices and reports, including the Notice due on January 31<sup>st</sup> of every calendar year. The extension granted until July 1, 2019 also applies to the copy of the Notice that must be provided to PR Treasury. Further guidance will be issued by PR Treasury on the procedure for filing the Notice.

To access IB 19-03, please follow this link.

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