

March 20, 2020

Legal Update – Tax

Extension of Due Date for Filing Volume of Business Declarations

On March 18, 2020, the Puerto Rico Office of Management and Budget (“OGP” for its Spanish acronym) issued Circular Letter No. 004-2020 (“CL 004-2020”) amending Circular Letter No. 003-2020 (“CL 003-2020”) and extending the due date for filing volume of business declarations (“VOBD”) with all municipalities within the Commonwealth of Puerto Rico.

Section 10 of the Municipal License Tax Act sets the due date for filing the VOBDs at 5 days after the filing of income tax returns with the Puerto Rico Treasury Department (“Treasury”). Because Treasury published AD - 2020-03 extending the due date for filing income tax returns until May 15, 2020, OGP determined that the due date for filing VOBDs for fiscal year 2020-2021 with the Municipalities shall be postponed until May 22, 2020.

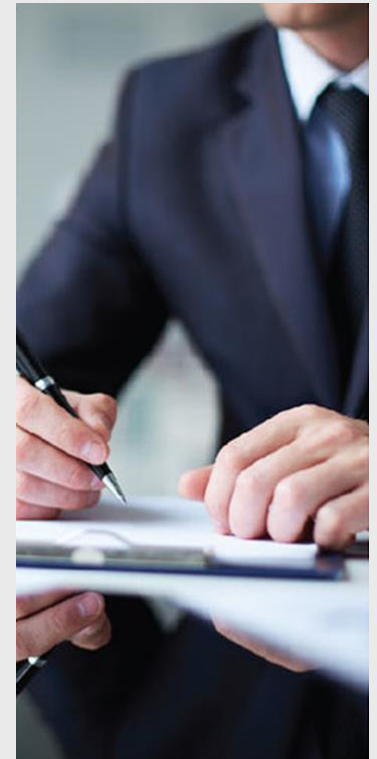
Taxpayers seeking to enjoy the benefit of the 5% early payment discount must file their VOBD and pay the total municipal license tax due for fiscal year 2020-2021 on or before May 22, 2020.

Requests for extensions must also be filed no later than May 22, 2020. If granted by a municipality, the maximum 6-month extension shall be until November 23, 2020.

Additional guidance is expected if circumstances change.

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For more information on this Legal Update, please contact:

Carlos E. Serrano

cserrano@reichardescalera.com

787.777.8815

787.406.5257

Alba I. Joubert Pereira

ajoubert@reichardescalera.com

787.777.8825

787.432.8356

Ernesto J. Zayas García

ezayas@reichardescalera.com

787.777.8813