

October 18, 2017

Tax Update

Office of Management and Budget Encourages the Issuance of Uniform Guidance Regarding Municipal Tax Matters

In a letter sent to the Executive Directors of the Puerto Rico Mayors Federation and the Puerto Rico Mayors Association (“Letter”), the Office of Management and Budget (“OGP” for its Spanish acronym), encouraged them to suggest to their members the issuance of uniform guidance regarding municipal tax matters. More specifically, OGP suggests that municipalities wanting to grant relief in light of the passing of Hurricane Maria: (i) approve a uniform extension of the due date for filing Volume of Business Declarations for fiscal year 2017-2018 until January 15, 2018, (ii) allow until January 15, 2018 for taxpayers to comply with payment plans in place prior to the passing of Hurricane Maria and which due date was on or after the state of emergency declaration (iii) establish a moratorium with respect to construction excise taxes, and (iv) uniformly extend any other term that may be expiring soon.

Notwithstanding the foregoing, it is of utmost importance for taxpayers to reach out to the relevant municipalities as the Letter only contains OGP’s recommendations. The final decision regarding the matters object of such recommendations is to be made by the municipalities.

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