

September 28, 2017

Tax Update

Treasury Allows Manual Release of Property Imported to Puerto Rico

On September 19, 2017, in anticipation of Hurricane Maria's impact, the Puerto Rico Department of the Treasury ("Treasury") issued Internal Revenue Informative Bulletin 17-19 ("IB 17-19") establishing a temporary process that allows for the manual release of certain property imported to Puerto Rico ("Temporary Process"). On September 22, 2017, through the issuance of Internal Revenue Informative Bulletin 17-20 ("IB 17-20") Treasury extended the applicability of the Temporary Process to **ALL** property imported to Puerto Rico. Attached are both IB 17-19 and IB 17-20 (only available in Spanish) and below is a summary of their most salient provisions.

The Temporary Process is as follows:

1. The importer must visit the Tax on Consumption Bureau's ("NIC" for its Spanish acronym) office located at Crowley's Satellite Office in Isla Grande ("Crowley's Office") and submit the following documents:
 - Bill of lading;
 - Manifest;
 - If a bonded importer, copy of bond currently in effect;
 - Evidence of payment of any applicable tax;
 - Consignee's name; and
 - Merchandise cost.

To the extent possible, the importer shall send the foregoing information to the following electronic mail: puertos@hacienda.pr.gov.
2. The Authorized Internal Revenue Agent ("Agent") will review the documents presented by the importer and, *provided the applicable tax has been paid*, will authorize the release of the merchandise.
 - If the imported merchandise is subject to the payment of excise tax or sales and use tax ("SUT"), the Agent shall provide the importer a duly completed Form SC 2005. Once the importer furnishes Form SC 2005 sealed by the collection officers located at Crowley's Office, the Agent will authorize the release of the merchandise.
3. The original document signed by the Agent will be sent to the Office of NIC's Director and a copy shall be provided to the importer to be used to obtain release of the merchandise.
4. The importer shall retain copy of the bill of lading object of the Temporary Process in order to be able to complete the applicable Tax on Imports Monthly Return.



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The provisions of IB 17-19 and IB 17-20 will remain in effect until further notice. Treasury has indicated it will be issuing guidance establishing the procedure for resellers to claim the corresponding credit for the use tax paid upon the import of inventory to Puerto Rico.

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