



Professional Services Tax Withholding Changes



Please contact your ASI representative should you have any questions or comments or if you need additional information regarding these matters.

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On December 31, 2018, the Puerto Rico Treasury Department issued Informative Bulletin No. 18-24 to inform about changes in the withholding percentages on payments to service providers.

Starting on January 1st, 2019, the withholding tax on services rendered in Puerto Rico will increase from 7% to **10%**. The withholding tax on taxpayers with partial tax withholding waivers increased from 3% to **6%** for payments made after December 31, 2018. Furthermore, the withholding exclusion of the first \$1,500 paid during the calendar year was reduced to **\$500**.

The Puerto Rico Treasury also introduced the requirement to file quarterly and annual returns to report payments made to service providers, the amount of taxes withheld and deposited, and the name of the payee.

If you need assistance and/or further information, please contact your ASI representative.

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