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FLASH ALERT 2021-06

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A PUBLICATION FROM THE TAX DIVISION

FILING AND PAYMENT DATES FOR THE 2020 PERSONAL PROPERTY TAX RETURN



Please contact your account service partner should you have any questions or comments or if you need additional information regarding these matters.

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On April 21, 2021, the Municipal Income Collection Center ("CRIM", by its Spanish acronym) issued Administrative Order No. 2021-01 ("AO 21-01") to confirm that the filing deadline of the 2020 Personal Property Tax Return is **May 17, 2021**. Taxpayers required to make estimated payments must pay the **fourth installment** on or before **May 17, 2021** to be entitled to the five percent 5% discount on the assessed tax.

Extension Request

Taxpayers who file an extension request on or before May 17, 2021, in compliance with the applicable provisions, will have the right to an automatic extension of three (3) months to file the personal property return. Thus, the due date for the extended 2020 return and payment of any tax due will be **August 17, 2021**.

Should the tax reported in the personal property tax return be greater than the tax calculated for the extension request, taxpayers will not lose the five percent (5%) discount if the taxpayer made estimated payments totaling 100% or more of the tax determined in the 2019 return. However, any tax determined in excess of the amount reported in the extension request will not be eligible for the five percent (5%) discount.

Taxpayers who comply with the applicable provisions will not be subject to interests, surcharges, additions, and penalties.

Financial Statements and Reports

Taxpayers with gross revenues of \$3 million or more that requested the automatic three (3) month extension will have until **August 17, 2021**, to submit their personal property tax return together with audited financial statements and supplementary information, the report of agreed-upon procedures, or the compliance attestation report, as applicable (the "financial reports").

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Financial Statements and Reports (continued)

Taxpayers that cannot comply with this requirement by **August 17, 2021** must file, together with the return, a letter or appendix signed by a Certified Public Accountant ("CPA"), indicating that the financial reports have not been completed, and the reason for the deferment of this filing. In addition, the letter or appendix must indicate that the required financial reports will be filed no later than **November 17, 2021**.

The inclusion of this letter or appendix, issued and certified by a CPA, together with the return, will be mandatory for the return to be considered as filed on time. If the financial reports are not submitted by **November 17, 2021**, the personal property tax return will not be considered as filed on time, which may result in the imposition of interests, surcharges, additions, and penalties, as applicable.

Note:

AO 21-01 refers to provisions contained in Article 7.135 and Article 7.137 of Act No. 107-2020 Puerto Rico Municipal Code, among others.

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