



**40**  
years  
**GROWING  
TOGETHER**

VALDES, GARCIA, MARIN& MARTINEZ, LLP  
CERTIFIED PUBLIC ACCOUNTANTS& CONSULTANTS

**TAX ALERT 2016-03**

**December 30, 2016**

**www.vgmmcpa.com**



## **A PUBLICATION FROM THE TAX DIVISION**

### **PR Department of Treasury Issues New Withholding Statement and Informative Return Forms**



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

**Tel. (787) 725-1600**

**Ramón Marín**  
**rmarin@vgmmcpa.com**

**Lucy Martínez**  
**lmartinez@vgmmcpa.com**

**Idsa Ramos**  
**iramos@vgmmcpa.com**

**Sofía Benítez Arraiza**  
**sbenitez@vgmmcpa.com**

Please contact us at (787) 725-1600 or at [fsosa@vgmmcpa.com](mailto:fsosa@vgmmcpa.com) if you would like to subscribe or unsubscribe from these publications.

The PR Department of Treasury has issued Informative Bulletin 16-14 (IB 16-14) which provides the updates to the withholding statement and informative return forms for calendar year 2016. It also provides the timetable on which the forms must be submitted. The most significant changes to these forms are:

#### Form 499R-2/W-2PR Withholding Statement

- A field for Date of Birth was added.
- New exemption code F was added to inform exempt vacation and sick leave liquidation payments. This code is only applicable to governmental employees who benefit from Act 211-2015 known as the Voluntary Pre-Retirement Program Act.

#### Form 480.6A Informative Return – Income not Subject to Withholding

- The field Partnership's Distribution field was eliminated.
- A field for Capital Gain Distributions under Section 1112.01(c)(3) was added.
- Clarified that returns of capital made during the year, should be reported in the Gross Proceeds field.

#### Form 480.6B Informative Return – Income Subject to Withholding

- A field was added to include the number assigned by the Treasury for the Waiver Certificate from Withholding at Source on Payments for Services Rendered.
- The following fields were eliminated:
  - Dividends Subject to 5% under Section 1023.25
  - Partnership Distributions
- A field for Dividends Subject to Preferential Rate under Special Act was added.

#### Form 480.6B.1 Annual Reconciliation Statement of Income Subject to Withholding

- A column was added to claim the Credit for Tax on Deemed Dividends under Section 1062.13(e).

**TAX ALERT 2016-03**  
**CHANGES TO**  
**INFORMATIVE**  
**RETURNS**

Form 480.6C Income Subject to Withholding – NonResidents

- A field for Payments for Services Rendered by Independent Contractors was added.
- The following fields were eliminated:
  - Dividends Subject to 5% under Section 1023.25
  - Royalties subject to a rate greater than 10% under Act 135-1997
  - Partnership Distributions

Form 480.6D Informative Return – Exempt and Excluded Income and Exempt Income Subject to Alternate Basic Tax

- The field for Dividend Subject to 5% and 8% Prepayment was eliminated.
- The field for Debt Discharge now has three boxes to include the code corresponding to the type of discharge debt income that is exempt.
- The following fields were added:
  - Other Interest Not Subject to Alternate Basic Tax
  - Other Dividends Subject to Alternate Basic Tax
  - Other Dividends Not Subject to Alternate Basic Tax
  - Other Payments Not Subject to Alternate Basic Tax
  - Dividends from Exempt Businesses Not Subject to Alternate Basic Tax

Form 480.7C Informative Return – Retirement Plans and Annuities

- The field for Tax Withheld from Lump Sum Distributions (10%) was eliminated.
- The field for Tax Withheld from Annuity or Periodic Payments was divided as follows:
  - Tax Withheld from Periodic Payments of Qualified or Governmental Plans
  - Tax Withheld from Annuities

The PR Department of Treasury has issued, for informative purposes, a version of the above-mentioned forms which can be accessed through [www.hacienda.pr.gov](http://www.hacienda.pr.gov).

The dispositions of IB 16-14 are effective immediately.

**TAX ALERT 2016-03**  
**WITHHOLDING**  
**STATEMENTS**  
**&**  
**INFORMATIVE**  
**RETURNS**  
**DUE DATES**  
**FOR 2017**

<b>Due on January 31, 2017</b>	
499R-2W-2PR	Withholding Statement
499R-3	Reconciliation Statement of Income Tax Withheld
480.7A	Informative Return- Mortgage Interest
480.7D	Informative Return- Automobile Lease Payments
<b>Due on February 28, 2017</b>	
480.6A	Informative Return- Income Not Subject to Withholding
480.6B	Informative Return- Income Subject to Withholding
480.6B.1	Annual Reconciliation Statement of Income Subject to Withholding
480.6D	Informative Return- Exempt and Excluded Income Subject to Alternate Basic Tax
<b>Due on April 17, 2017</b>	
480.6C	Informative Return- Income Subject to Withholding- Nonresidents
480.30	Nonresident Annual Return for Income Tax Withheld at Source
<b>Due on January 31, 2017, February 28, 2017, April 17, 2017 or August 30, 2017, as applicable</b>	
480.5	Summary of the Informative Returns
480.7	Informative Return- Individual Retirement Account
480.7B	Informative Return- Educational Contribution Account
480.7C	Informative Return- Retirement Plans and Annuities

**Valdés, García, Marín & Martínez, LLP** is a Puerto Rico based firm of Certified Public Accountants and Consultants organized as a partnership for the practice of public accounting since 1975. Our 40 years of experience in public accounting support our commitment to excellence and professionalism.

This Tax Alert has been prepared for informative purposes. It is not intended to provide and does not constitute tax advice.

©2015 Valdés, García, Marín & Martínez, LLP. All rights reserved. [www.vammcpa.com](http://www.vammcpa.com)