

PR Treasury Announces Audit Campaign Targeting Holders of Tax Incentives Grants and Certain Other Transactions

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PRACTICE AREAS

- Employee Benefits
- Tax

An McV Tax Alert

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On February 19, 2021, the Puerto Rico Department of the Treasury (“PR Treasury”) issued Internal Revenue Informative Bulletin No. 21-03 (“IB 21-03”) to inform taxpayers that starting this year, one of its priorities will be conducting an audit and investigation campaign to determine compliance with the following:

- The requirements provided in tax incentives grants issued under the various tax incentive laws, including Act 22-2012.
- The reporting and payment of excise taxes on motor vehicles.
- The reporting and payment of excise taxes on crude oil, partially finished and finished products derived from petroleum, and any other hydrocarbon mixture.
- The collection and deposit of the sales and use tax on sales through the Internet and other electronic means.
- The reporting and payment of income taxes on advertisement payments made to persons who use digital platforms, such as influencers.
- The reporting and payment of income taxes on prizes, giveaways, and similar compensation received by persons participating in digital platforms.
- The reporting and withholding taxes applicable to domestic and foreign companies engaged in the construction industry.

Taxpayers that may have a tax exposure under any of the afore-mentioned areas may file a voluntary disclosure with PR Treasury before being notified that they will be subject to an audit or investigation.

PR Treasury also announced that it will collaborate with the Internal Revenue Service in its recently announced compliance campaign focusing on Individual Resident Investors holding tax incentives grants issued under Act 22-2012 or Act 60-2019.



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