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NEWSLETTER

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TAX ALERT

TAX AMNESTY ON PERSONAL AND REAL PROPERTY TAX DEBTS

Act No. 94 of June 16, 2011 ("Act No. 94") provides an amnesty consisting of the total elimination of interest, penalties and surcharges on certain unpaid real and personal property taxes. In addition, Act No. 94 provides for the elimination of fifty percent (50%) of the principal of personal property tax debt for the year 2000 and previous years for taxpayers that duly avail themselves of the amnesty.

Administrative Order 11-03 ("Order") was published by the Executive Director of the Municipal Revenues Collection Center ("CRIM" for its Spanish acronym) to implement the amnesty relief established by Act No. 94. According to the Order, the 90-day amnesty period starts on July 14 and ends on October 11, 2011. Certain eligibility standards, procedures, and rules are set forth in the Order as follows.

I. Eligibility of Taxpayers

- a. The taxpayer must have paid the real property tax for fiscal year 2010-2011 and the first semester of fiscal year 2011-2012.
- b. The taxpayer must have filed the personal property tax return and paid the corresponding personal property tax for the years 2009 and 2010.

II. Procedure to Request Tax Amnesty

- a. File Form BC-72 (real property tax) or Form BC-73 (personal property tax). If filing is done in a municipal office designated by CRIM, file Form BC-74. The respective form should be executed as a sworn statement.

- b. The total principal amount of the debt should be paid. No partial payments or payment plans are allowed.
- c. Payment can be made in CRIM's central offices, regional offices, or municipal offices designated by CRIM.
- d. Methods of payment include certified check, manager's check, money order, credit or debit card, and cash.

III. Other Provisions of the Order

- a. The amnesty relief for real property tax debt applies to taxable years 2009-2010 and previous years; for personal property tax debt, the amnesty relief applies to returns for the year 2008, which are filed in 2009, and previous years.
- b. Taxpayers who did not file personal property tax returns have to file such returns and pay the principal amount of the debt.
- c. Property tax debts may not be objected to during the tax amnesty, except for unapplied payments.
- d. Personal property tax returns for which tax is paid under the amnesty may not be amended after payment is made.
- e. Payments made under the amnesty may not be objected to, refunded, nor transferred to cover other taxes or taxes on other properties of the taxpayer.

A real and personal property tax amnesty is currently available from July 14, 2011 to October 11, 2011



Because of the general nature of this newsletter, nothing herein should be considered as legal advice or a legal opinion. For further information about the contents of this newsletter, or should you need further assistance in connection with these matters, please contact the firm's Corporate – Tax Department.

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