

Electronic Filing Requirements for 2020 Tax Year

November 20, 2020

On November 18, 2020, the Puerto Rico Treasury Department issued the Informative Bulletin 20-20 to notify the changes made to Forms 499R-2/W-2PR and Informative Returns for 2020 tax year.



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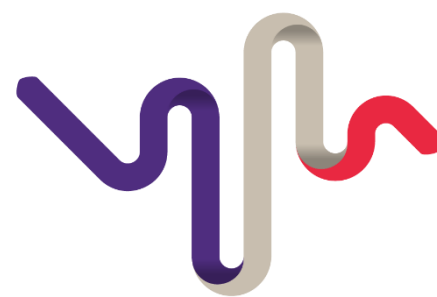
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What's new

- **Forms 499R-2/W-2PR – Withholding Statements**
 - one new box was added in the general information section to indicate if the remuneration includes payments for the following payments:
 - Health Professionals under CC 20-01 – Option E
 - clarifies the instructions of Box F (Others), to identify the classification of services rendered by the employee included in this box.
 - one new code was added in the boxes 16, 17, 18 – Exempt Salaries
 - payments to professionals regarding hard-to-fill positions under Section 2022.03(a) of the Incentives Code – Code J
- **Forms 480.6A – Informative Return – Other Income not Subject to Withholding**
 - the boxes of “Commissions and Fees” and “Continuing Education for Professions and Trades” were eliminated. These payments are considered services rendered to be reported in the Form 480.6SP (Informative Return – Services Rendered).
 - the boxes of “Electric Power” and “Water and Sewage” were eliminated.
 - new boxes were added to report total amount paid during the year for the following concepts:
 - Other Interests (Box 4)
 - Payments for Virtual and Technology Tools and Other Subscriptions (Box 9)
 - the Box 10 “Professional Association Fees and Dues” was modified to include payments made for professional associations’ dues.
- **Forms 480.6C – Informative Return – Payments to Nonresidents or for Services from Sources Outside or Puerto Rico**
 - the Box “Payments not Subject to Withholding” was segregated in two boxes:
 - Payments for Services Rendered Outside of Puerto Rico (Box 14)
 - Other Payments Not Subject to Withholding (Box 15)

- **Forms 480.6D – Informative Return – Exempt and Excluded Income and Exempt Income Subject to Alternate Basic Tax**
 - new boxes were added to report total amount paid during the year for the following concepts:
 - Qualified Disaster Aid Payments Under Section 1031.01(B)(16) (Box 20)
 - Debt Cancellation and Subsidies Receipt Under Article 5(i) of Act 57-2020.
- **Forms 480.6SP – Informative Return – Services Rendered**
 - new box was added to identify if the services were rendered by a health professional under Circular Letter 20-1 of May 26, 2020.
- **Forms 480.7E – Optional Informative Return – Advertising, Insurance Premiums, Telecommunications, Internet Access and Cable or Satellite Television Services**
 - the name of the form was modified to identify that this is an optional form to be used by all those taxpayers who optionally want to file the declaration in order to deduct expenses when determining net income subject to alternate basic tax (individuals) or alternative minimum tax (corporations).
 - the box of “Insurance Premiums” (Box 1) was modified to clarify in the instructions that this box cannot be used to report payments for health or accidents plans, and insurance of officers and directors for the benefit of the employer (Keyman Insurance).
 - the box “Contributions to Health or Accident Plans” was eliminated, it is no longer required to report such payments to be deductible on the income tax return.
 - new box was added “Bundles” (Box 5), to report payments for bundle services.
 - new line was added in the payer’s information section to include the payer account number.
- **Forms 480.7F – Informative Return – Advertising, Insurance Premiums, Telecommunications, Internet Access and Cable or Satellite Television Services**
 - this form will be used by any person dedicated to providing telecommunications, internet access and cable or satellite television services or received payments for advertising or insurance premiums.
 - in the general information section, the following lines were added:
 - type of client (business or residential)
 - client account number
 - indicate if the form is being submitted by an intermediary
 - indicate name and social security of final recipient of the payment.
 - the box of “Insurance Premiums” (Box 1) was modified to clarify in the instructions that this box cannot be used to report the following payments for health or accidents plans, and insurance of officers and directors for the benefit of the employer (Keyman Insurance).
 - new box was added in the “Insurance Premiums” (Box 1) and “Contributions to Health or Accident Plans” (Box 2) to identify if the payments corresponds to group policies.
 - new box was added “Bundles” (Box 6), to report payments received on bundle services.
 - new line was added to inform that any of payments being reported were financed.
 - this form is required only for commercial clients. However, in the case of residential clients, this must be completed and filed if the client requests it.



Filing reminders

- the forms (499R-2/W-2PR) must be file by February 1, 2021.
- the forms (480.6A, 480.6B, 480.6D, & 480.7F) must be file by March 1, 2021.
- the forms (480.6C) must be file by April 15, 2021.
- the forms (480.7E) must be file on or before the due date of the income tax return, including extensions.
- all transactions related to withholding taxes will be managed electronically through the Internal Revenue Integrated System (SURI).
- the Department will not accept forms printed without the confirmation number (handwritten or typed confirmation numbers on the forms) will automatically invalidate the forms.
- the Department of the Treasury has required the electronic filing of Form AS 2727 “Request of Extension of Time to File the Withholding Statement (W-2PR) and Reconciliation Statement of Income Tax Withheld (499R-3). The electronic application will be available through SURI. Filings in paper form, via fax, mail or any other method will be considered as not filed.
- the social security wage base for the tax year 2020 is \$137,700.

Links:

[Informative Bulletin 20-20](#)

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