

November 1, 2010 [www.mcvpr.com](http://www.mcvpr.com)**TAX ALERT*****The Puerto Rico Department of Treasury Issues Administrative Determination on Immediate Tax Benefit to Taxpayers Filing Individual Income Tax Returns.***

On October 28, 2010, the Puerto Rico Department of Treasury issued Administrative Determination Number 10-09 ("AD 10-09") to provide an immediate tax benefit to taxpayers filing individual income tax returns, in accordance with the Governor of Puerto Rico's proposed Tax Reform announced on October 25, 2010.

Under AD 10-09, employers and withholding agents will be exempt from their obligation to withhold Puerto Rico income tax at source with respect to the wages paid on payroll periods corresponding to the month of December 2010 and on the Christmas Bonus payable in December 2010.

Note that such payments will continue to be subject to any other applicable withholdings (e.g., Social Security, Medicare, retirement plans, SINOT, etc.).

Any payments not constituting wages or the Christmas Bonus shall continue to be subject to the withholding of Puerto Rico income tax at source.

You may access AD 10-09 [here](#).

If you have any questions or would like our assistance, you may call any of the following members of our Tax group:

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