



April 22,, 2013 www.mcvpr.com

TAX ALERT

Improvements to the Process of Electronic Preparation and Filing of Form 499 R-1B Announced

On March 26, 2013, the Puerto Rico Treasury Department (“Treasury”) issued Internal Revenue Informative Bulletin No. 13-05 (“IB 13-05”) announcing various improvements to the process of electronic preparation and filing of Form 499 R-1B, Employer’s Quarterly Return of Income Tax Withheld (the “Quarterly Return” or “Quarterly Returns”, as applicable).

Pursuant to Internal Revenue Informative Bulletin No. 12-14 (“IB 12-14”) issued on December 27, 2012, Treasury announced the availability of a new application for the electronic preparation and filing of the Quarterly Return and made such filing compulsory starting with the quarter ending on March 30, 2013. The electronic preparation and filing of amended Quarterly Returns for such quarter were limited to only the first amendment. Subsequent amendments were to be filed in paper form.

Most Significant Changes to the Electronic Application to Prepare and File Quarterly Returns, which are effective April 1, 2013:

- Employers and Tax Return Specialists must now use the electronic application to prepare and file the Quarterly Return for any quarter that ended **on or after March 31, 2005**.
- Employers and Tax Return Specialists may now prepare and file electronically all necessary amendments to Quarterly Returns if corresponding to a quarter that ended on or after March 31, 2005, whether they were originally filed in paper or electronically. They will have access to those amendments in the area known as “Tax History” and each amendment will be identified by the date and time of filing.
- Based on the previous improvement made to the electronic application, the limitation established under BI 12-14, which required the filing of a paper Quarterly Return for any subsequent amendment to a first amendment, is eliminated.
- Amendments to Quarterly Returns related to quarters ending on or before December 31, 2004 must be done in paper form and can only be filed by mail.

Process of “Bulk Filing” for Quarterly Returns

- For Tax Return Specialists with more than 250 employers required to file the Quarterly Return, Treasury has implemented the mechanism of high volume filing (“Bulk Filing”).
- To take advantage of this mechanism, the Tax Return Specialist needs to send an email to e-filetrimestral@hacienda.gobierno.pr with a letter requesting access to the Bulk Filing process and including certain information about the employers.

- Treasury will evaluate the information and will contact the Tax Return Specialist to begin the process of programming and testing, including security measures for the transfer of data required by the Information Technology Area. Until all tests are done and Treasury certifies that all requirements are met, the Tax Return Specialist will not be able to use the Bulk Filing process.
- The filing of duplicate Quarterly Returns through the process of Bulk Filing is prohibited.
- Amendments to Quarterly Returns will also be available through Bulk Filing.

Mandatory Electronic Filing of the Quarterly Return

- All employers and Tax Return Specialists are required to electronically prepare and file the Quarterly Return for the quarter that ended on March 31, 2013 and that is due on April 30, 2013.
- Treasury will not accept Quarterly Returns filed in CDs or any other magnetic or electronic method that is not an electronic transfer through the application provided.
- The Internal Revenue Collection Offices will not accept Quarterly Returns filed in paper form.
- Quarterly Returns for the quarter that ended on March 31, 2013 or any other subsequent quarter received by mail will be returned and will not be considered as filed with Treasury.

The provisions of BI 12-13 are effective immediately.

A copy of BI 12-14 is available [here](#).

A copy of BI 13-05 is available [here](#).

If you have any questions, you may call or email any of the following members of our Tax Practice Group:

Carlos E.Serrano	787-250-5698	ces@mcvpr.com
Roberto L.Cabañas	787-250-5611	rlc@mcvpr.com
Esteban R. Bengoa	787-250-5626	erb@mcvpr.com
Isis Carballo	787-250-5691	ici@mcvpr.com
Lourdes Fontanillas López	787-250-5655	ldf@mcvpr.com
Yamary González	787-250-5687	yg@mcvpr.com
Leyla González	787-250-5696	lgi@mcvpr.com
Angel S. Ruiz	787-250-2602	asr@mcvpr.com
Alba I. Joubert	787-250-5649	aj@mcvpr.com
Rubén Muñiz	787-250-5655	rm@mcvpr.com