

Extension of Time to File the Volume Of Business Declaration and Documents Related to the Personal Property Tax Return

ATTORNEYS

- Isis Carballo-Irigoyen
- Yamary I. González-Berríos
- Rubén Muñiz-Bonilla
- Lillian Toro-Mojica
- Mariana M. Contreras-Gómez
- Leyla González-Ibarría
- Xenia Vélez
- Rafael Fernández-Suárez
- Ivette Rodríguez-Hernández

PRACTICE AREAS

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An McV Tax Alert

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On December 4, 2024, the Director of the Puerto Rico Office of Management and Budget (“OGP” by its Spanish acronym) issued Circular Letter 012-2024 (“CL 012-2024”) to address the extension period for filing the Volume of Business Declaration (“VOB Declaration”) for Fiscal Year 2024-2025 applicable to certain taxpayers. Similarly, on December 11, 2024, the Puerto Rico Municipal Revenue Collection Center (“CRIM”, by its Spanish acronym) issued Administrative Order 2025-004 (“AO 2025-004”) to extend the filing date of audited financial statements and other supplementary documentation (“AFS”) to be filed in connection with the 2023 Personal Property Tax Return (“PPT Return”). These pronouncements follow Puerto Rico Department of Treasury (“PR Treasury”) Internal Revenue Circular Letter 24-13 (“CC RI 24-13”), published on May 31, 2024, which extended the automatic extension period to file the 2023 corporate income tax return until January 15, 2024, for certain exempted taxpayers.

2024-2025 Volume of Business Declaration- Filing Date for Certain Businesses with Tax Exemption Grants

Following PR Treasury’s CC RI 24-13, OGP issued CL 012-2024 to extend the automatic extension period to file the municipal license tax VOB Declaration for the fiscal year 2024-2025 until **January 22, 2025**.

This extended filing period shall apply to taxpayers who: (i) are taxed as corporations, (ii) are engaged in trade or business in Puerto Rico, (iii) generate income under a grant of tax exemption, and (iv) whose original extension period for filing the 2023 corporate income tax return lapsed on July 15, 2024. To benefit from the extension, qualifying taxpayers must have timely filed the request for automatic extension to file the VOB Declaration with the corresponding municipality.

2023 PPT Return - Extension to file AFS

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Pursuant to CRIM's Administrative Order 2024-001 of August 9, 2024, the exempted taxpayers subject to the provisions of Section 1061.15 of the Puerto Rico Internal Revenue Code of 2011 who were not able to file the AFS required by Article 7.135 of the Municipal Code with the PPT Return, were thereby allowed to file these documents on or before December 23, 2024. To be eligible, the taxpayer must have timely filed the PPT Return along with a statement or letter, signed by a Certified Public Accountant, stating that the AFS were not available or that the auditing process was still underway. On December 11, 2024, CRIM issued AO 2025-004 to extend the period to submit the AFS required with the 2023 PPT Return until **January 15, 2025**. Failure to file the documentation by the extended due date will render the PPT Return as not timely filed and the taxpayer will be subject to interest, surcharges, and penalties.

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