

5 August 2020

Global Tax Alert

News from EY Americas Tax

Puerto Rico's Treasury Department postpones certain filing and payment due dates because of Tropical Storm Isaias

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Puerto Rico's Treasury Department (PRTD), in response to tropical storm Isaias and the most recent executive order issued by the Puerto Rico Governor on lockdown measures related to COVID-19, has issued Administrative Determination ([DA-20-20](#)) postponing, until 7 August 2020, all filing and payment deadlines originally due 31 July 2020.

The determination also provides that penalties will not be imposed for noncompliance with biweekly Puerto Rico Sales and Use Tax (IVU by its Spanish acronym) payments during the month of July 2020, if the total IVU owed for the month is paid with the filed IVU monthly return for that period.

The DA 20-20 further extends the first sales tax holiday period for the purchase of school uniforms and supplies through 4 August 2020. Only items defined in Circular Letter (CL) 20-31, Parts II-A-1 and II-A-2, are exempt from the tax (school uniforms, supplies and textbooks, respectively). See EY Global Tax Alert, [Puerto Rico's sales tax holiday for school uniforms and supplies will run from 29 July through 1 August](#), dated 31 July 2020 for details.

For filings and payments originally due 31 July 2020, the Treasury Department says it will not impose penalties on taxpayers that demonstrate they have made a good faith effort to comply with the tax code and submit required forms and payments by 7 August. If those requirements are met and a penalty is imposed, the taxpayer may request that the penalty be removed.

For taxpayers that are not able to comply with the IVU biweekly payments requirement for the month of July but file the IVU monthly return for that period and pay the total IVU owed for that month, no penalties will be imposed. If penalties are imposed, a taxpayer may request their removal.

To request penalties removal, taxpayers must file the request through their SURI account and include evidence of filing and payment and a copy of DA-20-20.

Implications

It is very important that taxpayers availing themselves of this extended period comply with the filing and payment obligations of those tax payments, withholding deposits, estimated tax payments and other obligations covered by DA 2020 on or before 7 August 2020.

For additional information with respect to this Alert, please contact the following:

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EYG no. 005430-20Gbl

1508-1600216 NY
ED None

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