

Puerto Rico Tax Alert

PR Treasury announces transition to a new integrated tax platform

October 11, 2016

Summary

The PR Department of Treasury (the “PR Treasury”) recently announced that it will begin the implementation of a new integrated tax platform in three phases beginning on October 15, 2016 through December 2018. The new tax platform will be known as the Internal Revenue Unified System (SURI for its Spanish acronym) which will integrate the PICO, PRITAS, and REFO platforms into it.

The sales and use tax (“SUT”) will be the first tax regime to be integrated into SURI, and its implementation will run from October 15, 2016 through November 20, 2016.

Detail

Sales and use tax

From October 15, 2016 through November 20, 2016, taxpayers currently registered as merchants in PICO, whether or not treated as SUT withholding agents, must update their current merchant’s registration certificates and credentials in SURI. However, merchants that import tangible property into Puerto Rico must update their merchant’s registration certificates and credentials in SURI no later than November 10, 2016. Upon registration with SURI, a new merchant’s registration certificate will be issued.

Notwithstanding, merchants will not be able to access and otherwise execute any transactions through PICO including filing SUT returns and accessing the information as it was stored in PICO after October 28, 2016.

As part of SURI’s implementation process, PR Treasury will be migrating merchants’ information currently stored in PICO into SURI and such information should be reflected in SURI as of October 31, 2016, date in which SURI

will go live. Merchants must verify that the information migrated by PR Treasury is accurate and consistent with their information in PICO prior to the migration.

Note: Merchants should ensure that they keep adequate and complete evidence in connection with their SUT filings, payments and credits as they appear in PICO prior to the October 28, 2016 shutdown since such evidence will no longer be available to merchants after that date.

SURI will also allow merchants to request new merchant’s registration certificates, amend merchant’s registration certificates, file monthly SUT returns, and make monthly SUT payments, among others.

Income and other taxes

The integration of the corporate, flow-through, tax incentives and excise taxes into SURI is expected to be completed by December 2017, whereas the integration of individual taxes, withholding taxes, and other miscellaneous

taxes is expected to be completed by December 2018.

Insight

Taxpayers currently registered as merchants with PICO should update their merchant's

registration certificates and credentials in SURI no later than November 20, 2016 and evaluate how PR Treasury's migration of their information into SURI may affect their PR operations and SUT positions.

Contact us

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