

Tax Alert

Circular Letter 08-09 clarifies effectiveness of Act 147

The Puerto Rico Treasury Department issued Circular Letter (CL) 08-09 to clarify the effectiveness of the changes adopted by Act 147 in relation to the requirement of accompanying audited financial statements to income tax returns.

According to the CL, the new level of gross volume of business (\$3,000,000) will apply to domestic (for profit) corporations and partnerships for years commenced on or after August 1, 2008.

The CL also clarifies that in the case of special partnerships and corporations of individuals the audited financial statements will still be required when the volume of business exceeds \$500,000 and in the case of foreign corporations and partnerships when the volume of business exceeds \$1,000,000.

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