

Tax update: New Abatement of Surcharges - Bill 582 under Reconsideration by the House of Representatives

In our July – August edition of the Tax Newsletter we commented about Bill 582 (the “Bill”) which amends Section 6041 of the Puerto Rico Internal Revenue Code of 1994, as amended (“PRIRC”). This Bill grants powers to the Secretary of the Treasury to abate the surcharges, which range from 0 through 10%, in connection with a tax notice and demand for payment from the Secretary, where a deficiency, or interest or additional amounts assessed in connection therewith are not paid within 10 days from the date of the notice. This amendment was supposed to be effective on June 19, 2009, date of approval of the Bill.

However, on June 25, 2009 the Senate of Puerto Rico returned the project to the House of Representatives for reconsideration and further analysis, as requested by the latter.

The Bill has not been posted on the Calendar for Public Hearings. Therefore, we expect it will be discussed during the next Ordinary Session, which should commence on August 17, 2009.

We will keep you updated of any news or changes to this Bill and other tax related matters through our next editions of the Tax Newsletter and the Tax Update.

Should you have any questions or comments, please do not hesitate to contact personnel in our Tax Department at **787-754-1915**.

