



Compliance Insights

Tax Insights: PUERTO RICO

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Housekeeping

- **This is one of a number of complimentary webinars that ADP offers each year**
- **Today's webinar will last for 30 minutes**
- **The last 10 minutes of today's program have been reserved for Q&A**



Presenter



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Senior Government Analyst
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Agenda

- **Introduction**
- **High-Level Territory Overview**
- **Current Opportunities**
- **What PR Wants You to Know**
- **Recent Accomplishments**
- **Questions**

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High-Level Territory Overview

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High-Level Territory Overview

■ Government

- U.S. Territory
- Statehood debated every 4 years

■ Language

- Bilingual
- English required but...



High-Level Territory Overview

- **Holidays**

- 21 holidays between federal and local

- **Agency closures**

- **Location/storm and hurricane path**

- **Time Zone**

- Does not observe daylight savings time



High-Level Territory Overview

■ Federal taxes

- Residents do not pay Federal Income Tax
- Residents pay Social Security and Medicare
- Per capita income (\$8,500) and unemployment weekly benefit (\$133)
- High unemployment rate – 16.5%



High-Level Territory Overview



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■ Payments - Withholding

- Deposit schedules offered: quarterly, monthly, semi-weekly, daily deposits required for \$100K or more
- Semi-weekly and daily sent via electronic funds transfer (EFT)

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Quarterly Return 499R-1B

Formulario 499 R-1B Rev. 01.12

Revisor: _____ Liquidador: _____
Investigado por: _____
Fecha: ____/____/____
R M A

Deberá completar este anexo cuando - You must complete this box
Trimestre que termina el ____ de ____ de ____
Quarter ending on ____ of ____ of ____

Govierno de Puerto Rico - Government of Puerto Rico
Departamento de Hacienda - Department of the Treasury
**PLANILLA TRIMESTRAL PATRONAL DE CONTRIBUCION
SOBRE INGRESOS RETENIDA
EMPLOYERS QUARTERLY RETURN OF INCOME TAX WITHHELD**

Número de Serie
PLANILLA EMISORADA - AMENCO RETURN
Sello de Resibo
Receipt Stamp

Número de Identificación Patronal - Employer Identification Number
Número de Teléfono - Telephone Number
Código Industrial - Industrial Code

Nombre del Negocio - Business Name
Nombre del Patrono o de la Persona Contacto
Name of Employer or Contact Person
Dirección Postal - Postal Address
Código Postal - Zip Code
Localidad de la Instalación o Negocio - Location of Industry or Business

Empleganza uno - Fill in one:
Corporación Pública - Public Corporation
Corporación Privada - Private Corporation
Sociedad - Partnership
Individuo - Individual
Agencia - Agency
Federal - Federal
Estatal - State
Municipal - Municipal
Otro - Others

Categoría de Depositante - Type of Depositor
(Empleganza uno - Fill in one)
 (1) Depositante mensual (Complete Parts I and II) - Monthly depositor (Complete Parts I and II)
 (2) Depositante bimensual (Complete Parts I and II) - Semi-monthly depositor (Complete Parts I and II)
 (3) Patrono cuya retención no excede \$500 en el trimestre (Complete Parts I and II) - Employer whose withholding does not exceed \$500 in the quarter (Complete Parts I and II)

Idioma en que prefiere recibir cualquier comunicación del Departamento - Language in which you prefer to receive any communication from the Department
 ESPAÑOL ENGLISH

Parte I - Part I

1. Número máximo de empleados en el periodo de pago
Maximum number of employees in the pay period. (1) _____

2. Total de salarios y compensaciones sujetas a retención
Total wages and compensation subject to withholding. (2) _____

3. Total de propinas sujetas a retención
Total tips subject to withholding. (3) _____

4. Total de contribución retenida sobre salarios, propinas, pensiones, anualidades y otros
Total income tax withheld from wages, tips, pensions, annuities and others. (4) _____

5. Menos: Crédito por contribución retenida en exceso durante los trimestres anteriores
Less: Credit for income tax withheld in excess from previous quarters. (5) _____

6. Total ajustado de la contribución retenida (Línea 4 menos línea 5)
Total adjusted income tax withheld (Subtract line 5 from line 4). (6) _____

7. Total de depósitos para el trimestre
Total deposits for the quarter. (7) _____

8. Balance pendiente de pago (Línea 6 menos línea 7)
Balance due (Subtract line 7 from line 6). (8) _____

9. Contribución depositada en exceso para acreditar al próximo trimestre
Tax deposited in excess to be credited to next quarter. (9) _____

Periodo de Conservación: Diez (10) años - Retention Period: Ten (10) years

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Annual Reconciliation 499R-3

Formulario 499 R-3 Form Rev. 11 sep 12		Gobierno de Puerto Rico - Government of Puerto Rico Departamento de Hacienda - Department of the Treasury	Número de Serie
Liquidador	Revisor	ESTADO DE RECONCILIACION DE CONTRIBUCION SOBRE INGRESOS RETENIDA RECONCILIATION STATEMENT OF INCOME TAX WITHHELD	<input type="checkbox"/> ENMIENDADO - AMENDED
Investigado por:			Fecha de Recibo
Fecha: / /		Año comienza el ___ de ___ de ___ y termina el ___ de ___ de ___ Year begins on ___ of ___ and ends on ___ of ___	
R	M	N	
Num. Identificación Patronal - Employer Identification Number		Número de Teléfono Telephone Number	
Nombre del Negocio - Business Name		Fecha comienzo de operaciones Date operations began	
Nombre del Patrono (o Persona Contacto) Employer's Name (or Contact Person)		Fecha cese de operaciones Cess of operations date	
Dirección Postal - Postal Address		Código Postal - Zip Code	
Localización del Negocio - Número, Calle y Ciudad Business Location - Number, Street and City		Total de Comprobantes Incluidos Number of Statements Included	
1. Sueldos - Wages			
2. Comisiones - Commissions			
3. Concesiones - Allowances			
4. Propinas - Tips			
5. Total - Total			
6. Gastos Reembolsados y Beneficios Marginales - Reimbursed Expenses and Fringe Benefits			
7. Contribución Retenida - Tax Withheld			
8. Fondo de Retiro Gubernamental - Governmental Retirement Fund			
9. Aportaciones a Planes Cualificados - Contributions to OODA Plans			
10. Salarios bajo la Ley 324-2004 - Salaries under Act 324-2004			
11. Aportaciones al Programa Ahorra y Duplica tu Dinero - Contributions to the Save and Double your Money Program			
Juramento - Oath			
<p>Declaro bajo penalidad de perjurio, que he examinado esta declaración y los documentos adjuntos, y que a mi mejor entender son verídicos, correctos y completos. De haber documentos sin el número de seguro social de las personas que los recibieron, he cumplido con las exigencias del Código de Rentas Internas de Puerto Rico de 2011, según enmendado (Código), solicitando a dichas personas el número, pero no he recibido contestación.</p> <p>I declare under penalty of perjury, that I have examined this declaration, including all attached documents, and to the best of my knowledge and belief, it is true, correct and complete. If there are documents without recipient's social security number, I have complied with the requirements of the Puerto Rico Internal Revenue Code of 2011, as amended (Code), by requesting such numbers from the recipients, but have not received any reply.</p>			
Fecha - Date	Firma del Patrono - Employer's Signature	Título - Title	
<small>Gubernación: Día (9) Año - Government: Jan (1) Year</small>			

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W-2PR and W-2cPR

Formulario Form 499R-2/W-2PR Rev. 09.12		GOBIERNO DE PUERTO RICO - GOVERNMENT OF PUERTO RICO DEPARTAMENTO DE HACIENDA - DEPARTMENT OF THE TREASURY		INFORMACION PARA EL DEPARTAMENTO DE HACIENDA DEPARTMENT OF THE TREASURY INFORMATION	INFORMACION PARA EL SEGURO SOCIAL SOCIAL SECURITY INFORMATION
222				COMPROBANTE DE RETENCION - WITHHOLDING STATEMENT	
1. Nombre - First Name	3. Núm. Seguro Social Social Security No.	7. Sueldos - Wages	17. Total Sueldos Seguro Social Social Security Wages		
Apellido(s) - Surname(s)	4. Núm. de Ident. Patronal Employer Ident. No. (EIN)	8. Comisiones - Commissions	18. Seguro Social Retenido Social Security Tax Withheld		
Dirección Postal del Empleado - Employee's Mailing Address	5. Fecha en que comenzó a recibir la pensión - Date on which you started to receive the pension Día Mes Año Day Month Year	9. Concesiones - Allowances	19. Total Sueldos y Pro. Medicare Medicare Wages and Tips		
2. Nombre y Dirección Postal del Patrono Employer's Name and Mailing Address	6. Costo de Pensión o Anualidad Cost of Pension or Annuity	10. Propinas - Tips	20. Contrib. Medicare Retenida Medicare Tax Withheld		
Número de Teléfono del Patrono Employer's Telephone Number	6A. Costo de cubierta de salud auspiciada por el patrono - Cost of employer-sponsored health coverage	11. Total = 7 + 8 + 9 + 10	21. Propinas Seguro Social Social Security Tips		
Fecha Cese de Operaciones: Día Mes Año Cease of Operations Date: Day Month Year	6B. Donativos Charitable Contributions	12. Gastos Reemb. y Beneficios Marginales Reimb. Expenses and Fringe Benefits	22. Seguro Social no Retenido en Propinas - Uncollected Social Security Tax on Tips		
Número Control - Control Number	Original Envíe a: - Send to: Social Security Adm. Wilkes-Barre D.O.C. Wilkes-Barre, PA 18769-0001 Con la W-3PR With the Año: 2012 Year:		13. Cont. Retenida - Tax Withheld		
Fecha de radicación: 31 de enero - Filing date: January 31 Instrucciones al dorso de Copia D - Instructions on back of Copy D		14. Fondo de Retiro Gubernamental Governmental Retirement Fund	15. Aportaciones a Planes Cualific. Contributions to CODA PLANS		
		16. Salarios bajo Ley 324-2004 Salaries under Act 324-2004	16A. Aportaciones al Programa Ahorre y Duplice tu Dinero - Contributions to the Save and Double your Money Program		
			23. Contrib. Medicare no Retenida en Propinas - Uncollected Medicare Tax on Tips		

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High-Level Territory Overview

■ Data Validation – Withholding

- Coupon suppression
- Registration list



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- **Payments – Unemployment Insurance**
 - Deposits quarterly
 - Electronic Funds Transfer (EFT) method



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■ Filings – Unemployment Insurance

- Electronic filing requirement
- Form PR SD-10/UI-10
 - Special Assessment
 - Disability Insurance



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■ Data Validation – Unemployment Insurance

- Experience rates

- Manual
- Excel
- Annually...usually
- Portal



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Current Opportunities

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Current Opportunities

■ Challenges

- Communication
- Notification of changes
- License renewals
- Control numbers



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Current Opportunities

■ Common set up problems

- Missing registration
- Successorship employer identification number discrepancies
- Inactive accounts reactivation
- Private plan for Disability Insurance



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What Puerto Rico Wants ADP Clients to Know

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What The Agency Wants Clients to Know

- **Registration requirements**
 - Both prefer in-person registration



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What The Agency Wants Clients to Know

■ Amnesty Programs

- Offered at both agencies
- ADP checks accepted



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What The Agency Wants Clients to Know

■ Legislation/Technology Changes

- Both agencies going paperless
 - 499R-1B (quarter reconciliation) to e-file
 - W-2c's electronic options
 - Both moving amended returns
 - Trabajo data exchange



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Accomplishments

Accomplishments

■ Notices/Resolution

- Uniform deposit schedule and method
- Notices decreased
- ADP associate in Puerto Rico



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Accomplishments

- **Standard authorizations acceptance**

- Reporting Agent Authorization (RAA)

- **Agency visits**

- Annual meeting with both agencies
- Proposals and opportunities discussions



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Questions?



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Thank you.

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