



## OFFICIAL COMMUNICATION

**TO: GRANTEES AND REPRESENTATIVES OF GRANTEES OF ACT 73 AND ACT 83 TAX EXEMPTION DECREES**

**RE: EXTENSION OF GRACE PERIOD FOR ACT 73 AND ACT 83 ANNUAL REPORTS**

On May 1, 2015, the Department of Economic Development and Commerce (“DDEC”) and the Office of Industrial Tax Exemption (“OITE”) launched the DDEC Online Applications Platform (“Platform”), a web-based application that allow businesses and individuals to create and manage applications under Act 20-2012, Act 22-2012, Act 73-2008, and Act 83-2010, track the status of applications, communicate with DDEC/OITE and comply with the annual report filing requirement under the aforementioned laws.

Prior to the official launching of the Platform, two official communications were circulated stating that the OITE was not going to impose penalties in connection to the annual report of the last taxable year, on any Act 20, Act 73 or Act 83 company that had an obligation to file an annual report before the launching of the Platform. A 30-day grace period starting on May 1, 2015 was granted to said businesses. On May 20, 2015 another communication was circulated in order to extend the grace period to June 15, 2015, including any extension to file the Puerto Rico Income Tax Return for taxable year 2014.

### **Extension of Grace Period for Act 73 and Act 83 Annual Reports**

Given that during the vast majority of such period the Act 73 and Act 83 Annual Reports could not be enabled in the Platform and that after said Annual Reports were enabled in the Platform we continued experiencing several technical difficulties regarding them, we are extending the grace period for the submittal of annual reports under Act 73 and Act 83 to August 31, 2015. Every Grantee of an Act 73 and Act 83 Tax Exemption Decree must submit the corresponding annual report on or before August 31, 2015.

If Grantee has an extension to file the Puerto Rico Income Tax Return for taxable year 2014, the obligation to file the Annual Report corresponding to said taxable year will be thirty (30) days counted from the extended date the Income Tax Return must be filed or up until August 31, 2015, whichever is greater. Nevertheless, if Grantee has filed an extension to submit the Income Tax Return, the Office of Industrial Tax Exemption must be notified about that fact on or before August 31, 2015.

No annual reports for Act 73 and Act 83 will be accepted by mail or in person after August 31, 2015. Please withhold from said filings, which will have to be done on the Platform, pursuant to the grace period described above.

If you are receiving this communication as a service provider, we ask you to please forward this communication to your clients. If you do not have or does not represent someone with an Act 73 or Act 83 Tax Exemption Decree, please disregard this communication.

We thank you again for your patience and understanding in this transition process.

The Department of Economic Development and Commerce