

Liquidator:	Reviewer:	20	GOVERNMENT OF PUERTO RICO DEPARTMENT OF THE TREASURY	20	Control Number
Field audited by:		PASS-THROUGH ENTITY INFORMATIVE INCOME TAX RETURN - COMPOSITE			
Date					
R M N 					
Entity's Name		Employer Identification Number		☐ AMENDED RETURN TAXABLE YEAR: 1 ☐ CALENDAR 2 ☐ FISCAL 3 ☐ 52-53 WEEKS: Taxable year beginning on <u>MONTH / DAY / YEAR</u> and ending on <u>MONTH / DAY / YEAR</u> 4 ☐ SHORT PERIOD: Beginning on <u>MONTH / DAY / YEAR</u> and ending on <u>MONTH / DAY / YEAR</u> Receipt Stamp	
Postal Address		Merchant's Registration Number			
Zip Code		Industrial Code Municipal Code			
Location of Principal Industry or Business (Number, Street, City)		Telephone - Extension () -			
Type of Principal Industry or Business		Date Created Day / Month / Year			
E-mail Address of the Contact Person		Place Created or Incorporated		Type of Taxpayer: ☐ Partnership ☐ Limited Liability Company ☐ Corporation	
		☐ Check here if you choose the optional tax under Section 1071.10 of the Code		☐ Check here if you are member of a group of related entities. Group number	
Check the corresponding box, if applicable					
1 ☐ First return 2 ☐ Last return 3 ☐ Change of period (See instructions)		CHANGE OF ADDRESS: ☐ Yes ☐ No		Total Forms 480.60 EC	
		EXTENSION OF TIME: ☐ Yes ☐ No		☐ Large Taxpayer	
Part I QUESTIONNAIRE					
1. Number of intermediate pass-through entities included on this composite return •					
2. Total Schedules I (SC) included with this composite return					
3. Did you include the detail of the group's ownership structure? ☐ Yes ☐ No					
Part II DISTRIBUTABLE SHARE PER CATEGORY					
		Amount		Tax Withheld	
1. Net long-term gain (or loss) on sale or exchange of capital assets (See instructions)		(1) 00		00	
2. Net short-term gain (or loss) on sale or exchange of capital assets (See instructions)		(2) 00			
3. Net gain (or loss) on sale or exchange of substantially all assets dedicated to an activity under Act 78-1993 (See instructions)		(3) 00			
4. Net gain (or loss) on sale or exchange of property used in the business (See instructions)		(4) 00		00	
5. Net income (or loss) from the entity's trade or business (See instructions)		(5) 00		00	
(a) Share of net income attributable to services rendered by the owner (5a)		00			
(b) Remaining net income (or loss) (Subtract line 5(a) from line 5) (5b)		00			
6. Net income (or loss) from partially exempt income (See instructions)		(6) 00		00	
7. Net income (or loss) from income subject to a preferential rate (Part VII, line 8) (See instructions)		(7) 00		00	
8. Eligible distribution of dividends from corporations at 15% (See instructions)		(8) 00		00	
9. Distributions of dividends subject to % withholding (See instructions)		(9) 00		00	
10. Interest income from deposits in financial institutions subject to withholding (See instructions)		(10) 00		00	
11. Interest income from deposits in financial institutions not subject to withholding (See instructions)		(11) 00			
12. Other interests subject to withholding at 10% rate (See instructions)		(12) 00		00	
13. Other interests subject to % withholding (See instructions)		(13) 00		00	
14. Distributable share on gain from a pass-through entity owned by the entity (See instructions)		(14) 00		00	
15. Distributable share on loss from a pass-through entity owned by the entity (See instructions)		(15) 00		00	
16. Others (See instructions)		(16) 00		00	
17. Total net income (or loss) from distributable share per category (Add lines 1 through 16)		● (17) 00		00	
18. Exempt income (See instructions)		● (18) 00			
19. Exempt income subject to alternate basic tax (See instructions)		(19) 00			
20. Adjustment for deductions not allowed for alternate basic tax and alternative minimum tax (See instructions)		(20) 00			
21. Other adjustments for purposes of the alternate basic tax (See instructions)		(21) 00			
22. Other adjustments for purposes of the alternative minimum tax (See instructions)		(22) 00			
23. Charitable contributions (See instructions) (Submit Schedule CC)		(23) 00			
24. Volume of business (See instructions)		(24) 00			
25. Pass-through entity's gross income (See instructions)		(25) 00			
(a) Gross income from services rendered (25a)		00			
26. Gross income of subsidiary pass-through entities (See instructions)		(26) 00			
(a) Gross income from services rendered (26a)		00			
27. Optional tax (Section 1071.10 of the Code) (See instructions)		● (27) 00		00	
OATH					
I declare under penalty of perjury that this return (including schedules and statements attached), has been examined by me, and to the best of my knowledge and belief is a true, correct, and complete return. The declaration of the person who prepares this return (except the taxpayer) is with respect to the information received, and this information may be verified.					
Name of Managing Owner, Officer or Agent (Print)		Signature of Managing Owner, Officer or Agent		Date	
Specialist's name (Print)		Name of the Firm or Business			
Registration No.		Self-employed Specialist (fill-in here) ☐		Specialist's signature	
				Date	

NOTE TO TAXPAYER: Indicate if you made payments for the preparation of your return: ☐ Yes ☐ No. If you answered "Yes", require the Specialist's signature and registration number.

Part III CREDITS

Use lines 1 through 3 of this part to claim only the tax credits that are considered Pre Tax Credits Manager. The Post Tax Credits Manager credits are claimed in Part VI.

Pre Tax Credits Manager

A. CREDITS SUBJECT TO THE LIMITATION PROVIDED BY SECTION 1051.13 OF THE CODE

- | | | |
|---|------|----|
| 1. A) Credit attributable to losses or investment in Capital Investment, Tourism, other funds or direct investment (See instructions) | (1A) | 00 |
| B) Credit for the purchase of tax credits (Complete Part V) (See instructions) | (1B) | 00 |
| C) Other credits not included on the preceding lines (Submit detail) (See instructions) | (1C) | 00 |

B. CREDITS NOT SUBJECT TO THE LIMITATION PROVIDED BY SECTION 1051.13 OF THE CODE

- | | | |
|--|------|----|
| 2. A) Credit for tax withheld at source from Industrial Development dividends (Act No. 8 of 1987) (See instructions) | (2A) | 00 |
| B) Credit for the purchase of tax credits (Complete Part V) (See instructions) | (2B) | 00 |
| C) Other credits not included on the preceding lines (Submit detail) (See instructions) | (2C) | 00 |
| 3. Total of Pre Tax Credits Manager Credits (Add lines 1(A) through 2(C)) | (3) | 00 |

Part IV TAXES PAID TO FOREIGN COUNTRIES AND THE UNITED STATES, ITS STATES, TERRITORIES AND POSSESSIONS

	Foreign Country, State, Territory or Possession of the United States			United States	Total
	A	B	C		
Name of the country, state, territory or possession					
1. Net income from sources within the country, state, territory or possession	(1)	00	00	00	00
2. Tax paid or accrued during the year	(2)	00	00	00	00

Part V BREAKDOWN OF THE PURCHASE OF TAX CREDITS

Use this Part to claim only the tax credits acquired through purchase and that are considered Pre Tax Credits Manager. The purchase of Post Tax Credits Manager credits is claimed in Part VI.

Pre Tax Credits Manager

Check the box corresponding to the act (or acts) under which you acquired the credit and enter the amount:

A. CREDITS SUBJECT TO THE LIMITATION PROVIDED BY SECTION 1051.13 OF THE CODE

- | | | |
|--|-----|----|
| 1. ☐ Solid Waste Disposal (Act 159-2011) | (1) | 00 |
| 2. ☐ Capital Investment Fund (Act 46-2000) | (2) | 00 |
| 3. ☐ Housing Infrastructure (Act 98-2001) | (3) | 00 |
| 4. ☐ Conservation Easement (Act 183-2001) | (4) | 00 |
| 5. ☐ Revitalization of Urban Centers (Act 212-2002) | (5) | 00 |
| 6. ☐ Other: _____ (Submit detail) | (6) | 00 |
| 7. Total credit for purchase of tax credits subject to limitation (Add lines 1 through 6. Transfer to Part III, line 1(B)) | (7) | 00 |

B. CREDITS NOT SUBJECT TO THE LIMITATION PROVIDED BY SECTION 1051.13 OF THE CODE

- | | | |
|---|------|----|
| 8. ☐ Tourism Development (Act 78-1993 and Act 74-2010) | (8) | 00 |
| 9. ☐ Tourism Eligible Investment (Act 60-2019) | (9) | 00 |
| 10. ☐ Film Project Investment (Act 27-2011 and Act 60-2019) | (10) | 00 |
| 11. ☐ Investment in Research and Development Activities (Section 5(c) of Act 73-2008, Article 2.11(c) of Act 83-2010 and Section 3030.01 of Act 60-2019) | (11) | 00 |
| 12. ☐ Economic Incentives (Industrial Investment) (Section 6 of Act 73-2008) | (12) | 00 |
| 13. ☐ Opportunity Zones (Act 60-2019) | (13) | 00 |
| 14. ☐ Other: _____ (Submit detail) | (14) | 00 |
| 15. Total credit for the purchase of tax credits not subject to limitation (Add lines 8 through 14. Transfer to Part III, line 2(B)) | (15) | 00 |

Retention Period: Ten (10) years

Part VI TAX CREDITS POST TAX CREDITS MANAGER (See Instructions)			
The tax credits claimed in this part must be duly registered in the Tax Credits Manager. The amount included must be the amount you are claiming against the tax in the return, net of all limitation.			Post Tax Credits Manager
1. Credit to hospital units for eligible payroll expenses (Act 168 of 1968, as amended)	(1)		00
2. Credit for investment in machinery and equipment for the generation and use of energy (Act 73-2008, as amended - Section 5(d))	(2)		00
3. Credit for investment in machinery and equipment for the generation and use of energy (Act 73-2008, as amended - Section 5(d)(3)(B) applicable only to eligible businesses under Section 2(d)(1)(H))	(3)		00
4. Credit for the purchase of products manufactured in Puerto Rico (Act 135-1997, as amended; Act 73-2008, as amended; Act 83-2010, as amended; or Act 60-2019, as amended)	(4)		00
5. Technology transfer investment credit (Act 73-2008, as amended - Section 5(f); Act 83-2010, as amended - Article 2.11(d); or Act 60-2019, as amended)	(5)		00
6. Credit for investment in research and development activities (Act 73-2008, as amended - Section 5(c); Act 83-2010, as amended - Article 2.11(c); or Act 60-2019, as amended - Section 3030.01)	(6)		00
7. Credit for industrial investment (Act 135-1997, as amended - Section 5A; or Act 73-2008, as amended - Section 6)	(7)		00
8. Credit for contributions to former governors foundations (Act 1-2011, as amended - Section 1051.10)	(8)		00
9. Credit for construction investment in urban centers (Act 212-2002, as amended)	(9)		00
10. Credit for Puerto Rico conservation easement (Act 183-2001, as amended)	(10)		00
11. Credit for investment in rental housing to the elderly (Act 77-2015, as amended)	(11)		00
12. Credit for investment in film project (Act 27-2011, as amended; or Act 60-2019, as amended)	(12)		00
13. Credit for investment in housing infrastructure (Act 98-2001, as amended)	(13)		00
14. Credit for investment in infrastructure project for film projects (Act 27-2011, as amended)	(14)		00
15. Credit for investment in opportunity zones (Act 60-2019, as amended)	(15)		00
16. Credit for the purchase or transmission of television programming made in Puerto Rico (Act 1-2011, as amended - Section 1051.14)	(16)		00
17. Credit for tourism investment - Alternate credit (Act 74-2010, as amended; or Act 60-2019, as amended)	(17)		00
18. Credit for tourism investment - Regular credit (Act 74-2010, as amended)	(18)		00
19. Credits for contributions to the Santa Catalina's Palace Foundation (Act 1-2011, as amended, Section 1051.06)	(19)		00
20. Other Post Tax Credits Manager credits not included on the preceding lines (Submit detail)	(20)		00

Part VII DISTRIBUTABLE SHARE ON NET INCOME SUBJECT TO PREFERENTIAL RATES			
Tax Liability		Net Income	Tax Determined
1. Schedule CI Pass-Through Entity, Part V, line 5	(1)	00	00
(a) Earned through subsidiaries pass-through entities (Line 1, Columns C and D, Part IX of Form 480.60 EC)	(1a)	00	00
2. Schedule V Pass-Through Entity, Part III, line 4	(2)	00	00
(a) Earned through subsidiaries pass-through entities (Line 2, Columns C and D, Part IX of Form 480.60 EC)	(2a)	00	00
3. Schedule W Pass-Through Entity, Part II, line 3	(3)	00	00
(a) Earned through subsidiaries pass-through entities (Line 3, Columns C and D, Part IX of Form 480.60 EC)	(3a)	00	00
4. Schedule X Pass-Through Entity, Part IV, line 9	(4)	00	00
(a) Earned through subsidiaries pass-through entities (Line 4, Columns C and D, Part IX of Form 480.60 EC)	(4a)	00	00
5. Schedule Y Pass-Through Entity, Part II, line 9	(5)	00	00
(a) Earned through subsidiaries pass-through entities (Line 5, Columns C and D, Part IX of Form 480.60 EC)	(5a)	00	00
6. Schedule Z Pass-Through Entity, Part II, line 3	(6)	00	00
(a) Earned through subsidiaries pass-through entities (Line 6, Columns C and D, Part IX of Form 480.60 EC)	(6a)	00	00
7. Schedule AA Pass-Through Entity, Part III, line 5	(7)	00	00
(a) Earned through subsidiaries pass-through entities (Line 7, Columns C and D, Part IX of Form 480.60 EC)	(7a)	00	00
8. Total (Add lines 1 through 7(a). Transfer to Part II, line 7)	(8)	00	00

Retention Period: Ten (10) years

Schedule I (SC)

Rev. 03.26

**PASS-THROUGH ENTITY INFORMATIVE
INCOME TAX RETURN - COMPOSITE****SWORN STATEMENT**

(To be filed with Form 480.10(SC))

2025

Taxable year beginning on _____, _____ and ending on _____, _____

Name

Taxpayer Identification Number

Address

Type of Entity☐ Partnership ☐ Limited Liability Company☐ Corporation

Place of organization: _____

The undersigned, under oath, being duly sworn, hereby certifies and agrees as follows:

1. I am ☐ Owner ☐ Officer ☐ Authorized representative of the entity on whose behalf I execute this sworn statement (the "Owner Entity").

2. The name, taxpayer identification number, address, type and place of organization of the Owner Entity are stated above.

3. The Owner Entity is an owner of the pass-through entity described on line 4.

4. Entity's Name: _____

Entity's Employer Identification Number: _____

Entity's address: _____

Type of Entity: ☐ Partnership
☐ Limited Liability Company (LLC)
☐ Corporation

Owner Entity's participation in the entity's income, gains or losses: _____ %

5. The type of income for which this sworn statement and agreement applies is:

☐ Distributed or undistributed Puerto Rico income from a Partnership.☐ Distributed or undistributed Puerto Rico income from a LLC taxed as a Pass-Through Entity.☐ Distributed or undistributed Puerto Rico income from a Corporation taxed as a Pass-Through Entity.

6. The Owner Entity does not derive other Puerto Rico source income and has no income taxable in Puerto Rico other than from the entity described on line 4.

7. This sworn statement applies for the taxable year indicated on this schedule.

8. ☐ Check here if you submitted a Sworn Statement under Section 1062.07(a)(1)(B) of the Code.

The undersigned understands that any false statement contained herein could be punished by fine, imprisonment or both.

Under penalty of perjury, I declare that I have examined this sworn statement and agreement and, to the best of my knowledge and belief, it is true, correct and complete.

Signature of owner, officer or agent

Name of owner, officer or agent (Print)

Date



Rev. 08.26

Government of Puerto Rico
Department of the Treasury

PASS-THROUGH ENTITY INFORMATIVE INCOME TAX RETURN - COMPOSITE

FORM 480.10(SC) GENERAL INSTRUCTIONS

WHO CAN FILE THIS RETURN?

Every owner of a partnership, corporation or limited liability company ("LLC") engaged in trade or business in Puerto Rico that elects to be treated as a pass-through entity, is considered engaged in such trade or business in Puerto Rico with respect to their distributable share, according to the provisions of Sections 1071.01 and 1078.01 of the Puerto Rico Internal Revenue Code of 2011, as amended ("Code"). Therefore, if a pass-through entity is engaged in trade or business in Puerto Rico ("Resident Entity" or "Entity"), its owners will earn income related to the trade or business in Puerto Rico with respect to their distributable share in the income, gain, loss, deduction or credit of the Resident Entity.

Pursuant to the provisions of Administrative Determination No. 12-07 of March 14, 2012 ("AD 12-07"), nonresident owners of a Resident Entity may choose to file a Pass-Through Entity Informative Income Tax Return - Composite.

For these cases, the Department of the Treasury ("Department") provides the Resident Entity the alternative to file this Pass-Through Entity Informative Income Tax Return - Composite (Form 480.10(SC)) ("Composite Return") on behalf of its foreign owners that are partnerships, corporations or limited liability companies treated as pass-through entities under the Code ("Nonresident Intermediate Entities" or "Nonresident Owners").

This return must be filed by the Resident Entity on behalf of its Nonresident Owners that choose to be included in the Composite Return and that duly complete Schedule I (SC), following the instructions that are included below. Therefore, the filing of this Composite Return is an election of each Nonresident Owner of the Resident Entity.

For purposes of this return, the terms entity and owner include a corporation or limited liability company and any of its owners if they are subject to the provisions of Chapter 7 of Subtitle A of the Code.

EXCEPTION: Section 1092.06(b) of the Code provides that, subject to those conditions, limitations and exceptions established by the Secretary, Nonresident Owners that are treated as engaged in trade or business in Puerto Rico only because of Section 1071.01 of the Code, can be exempted from the obligation to file an income tax return if the income tax withheld by the Resident Entity and submitted to the Department on behalf of said Owner satisfies its tax responsibility in Puerto Rico.

The Nonresident Intermediate Entities that choose NOT to be included in the Composite Return (or who cannot file the same because of having earned other income from sources within Puerto Rico) will have the obligation to file an income tax return in Puerto Rico according to the provisions of the Code.

WHEN AND WHERE TO FILE?

This Composite Return must be filed no later than the last day of the third month following the close of the taxable year of the entity that files, at the request of its Nonresident Owners who constitute intermediate pass-through entities and who chose to fulfill their tax responsibility by filing this Composite Return.

The return must be filed at the Returns Processing Bureau of the Department, located at 10 Paseo Cavadonga, Intendente Ramírez Building in Old San Juan, or sent by mail to the following address:

**DEPARTMENT OF THE TREASURY
PO BOX 9024140
SAN JUAN PR 00902-4140**

It may also be filed at any Internal Revenue Collections Office.

AUTOMATIC EXTENSION OF TIME TO FILE THE RETURN

A six (6) months automatic extension of time to file the return will be granted, if it is requested no later than the due date to file the return ("Extension Request"). The request shall be electronically filed using Form AS 2644 through the Resident Entity's account in the Internal Revenue Integrated System ("SURI", for its Spanish acronym), according to the following the steps:

1. Login to your SURI account.
2. In the *Summary* section, find the Pass-Through Entity account, and in the *Account* option, choose the *View returns, periods, and other options* link.
3. In the *Periods* menu, select the corresponding taxable period of the Extension Request, and choose the *Request income tax return extension* link that is available in the upper right corner.
4. Follow the system's instructions. In the *Taxpayer type* screen, choose *Pass-Through Entity* in the *Type of taxpayers* option, and *Form 480.10(SC)* in the *Return type* option.
5. Once you have submitted the Extension Request, the system will issue a confirmation message and you will have the choice to select *Printable confirmation* to get a copy of the Extension Request filed. We recommend you keep a copy of said document in your records.

You can also file the Extension Request through the main page of the SURI system without log in to the taxpayer's account. For additional information regarding the Extension Request for taxable year 2025, refer to Internal Revenue Circular Letter No. 26-01.

This extension must be in addition to the one that may be requested by the Resident Entity to file the Informative Income Tax Return Pass-Through Entity (Form 480.20(EC)).

COLUMN OF CENTS

When filling out the return, do not use the column for cents. That way we can expedite its processing.

It is important to remind you that it is not about rounding off, but eliminating the cents. See the following example:

**\$480.90 = \$480
\$475.25 = \$475**

TAXPAYER'S ASSISTANCE

For additional information on the technical content of this pamphlet or to clarify any doubts, please call **(787) 622-0123**.

SCHEDULE THAT COMPLEMENTS THE RETURN

The entity must file this return on behalf of those Nonresident Owners who complete the affidavit using Schedule I (SC) - Pass-Through Entity Informative Income Tax Return - Composite (Sworn Statement). Form 480.10(SC) must include a Schedule I (SC) for each owner included on line 1 of Part I (Questionnaire) of the Composite Return, Form 480.10(SC).

The Entity must include with this return the **originals** of the affidavits, as submitted by the owners.

INFORMATIVE RETURN

Every entity must complete for each owner that is not a Nonresident Intermediate Entity, a Pass-Through Entity Informative Return (Form 480.60 EC) on which it reports the distributable share of each owner on the income and expenses, gains or losses and credits generated by the entity during the taxable year. Said informative returns must be filed only by electronic means through SURI regardless this Composite Return is filed in paper form. Copy of these informative returns must be included with the filing of Form 480.10(SC).

SIGNATURE AND OATH OF THE RETURN

The return must be signed and sworn by the Managing Owner, Officer or Agent of the Resident Entity that is filing this Composite Return on behalf of the owners that constitute Nonresident Intermediate Entities who chose to be included in this return, and for which Schedule I (SC) is included.

SIGNATURE OF THE RETURN BY THE SPECIALISTS

The Tax Return Specialist must declare under penalty of perjury that he/she examined the return, and to the best of his/her knowledge and belief it is correct and complete.

If the return is prepared by a tax return specialist duly registered with the Department, it must include the registration number and be signed by the authorized person.

Indicate if you made payments for the preparation of your return and require the specialist's signature and registration number on it. THE CODE ESTABLISHES ADMINISTRATIVE AND CRIMINAL SANCTIONS TO THE SPECIALIST WHO DOES NOT PROVIDE THIS INFORMATION OR WHO DOES NOT COMPLY WITH ANY OTHER REQUIREMENTS ESTABLISHED BY THE CODE.

INSTRUCTIONS TO COMPLETE THE RETURN**HEADING OF THE RETURN**

If the taxable year of the Pass-Through Entity is a calendar year (ending on December 31), there is no need to enter the date on which the taxable year begins and ends, enter only the corresponding year. Otherwise, if it is a fiscal or 52-53 weeks year, you must enter the date on which the taxable year begins and ends in the space provided in the Composite Return. Likewise, if the return corresponds to a period of less than 12 months (Short Period), it must include the beginning and ending date of the period.

In the Box of Taxable Year, you must check the applicable alternative.

Enter the required information: name, postal address, employer identification number and merchant's registration number of the Resident Entity. **Your employer identification number is required to process the return.**

Enter in the corresponding box the complete address where the business or principal office is located, type of business, telephone number, date and place created or incorporated, as well as the email address of the contact person.

Check the corresponding box to indicate the type of taxpayer by selecting the applicable alternative: Partnership, Limited Liability Company or Corporation.

Enter in the corresponding box if the entity chose the optional tax under Section 1071.10 of the Code.

Check the corresponding box to indicate if the entity is a Large Taxpayer according to Section 1010.01(a)(35) of the Code.

Also indicate if the entity is a member of a group of related entities and the group number assigned by the Department. This number is assigned when you register the group through SURI following the procedure established in the Internal Revenue Circular Letter No. 20-18 ("IR CL 20-18"). As part of the registration process, each group must designate a principal member, with knowledge of the group's operations and the entities that are part of the group, who will be responsible for managing and updating the group account in SURI. For additional information, refer to IR CL 20-18. If you are member of a group of related entities, the group number is necessary to process the return.

Select the corresponding box to indicate if it is the first or last return or if you have requested a change in period during the taxable year.

Enter in the corresponding box the amount of Forms 480.60 EC (Pass-Through Entity Informative Return) included with the return. A copy of Forms 480.60 EC provided to each owner must be included with the return.

Check the corresponding box to indicate if an Extension of Time to File the Income Tax Return (Form AS 2644) was filed.

PART I - QUESTIONNAIRE**Line 1 – Number of intermediate pass-through entities included on this composite return**

Indicate the number of owners considered Nonresident Intermediate Entities for whom this Composite Return is being filed. For each one of them, you must include a Schedule I (SC) duly completed as detailed later in the instructions of said schedule.

Line 2 – Total Schedules I (SC) included with this composite return

Indicate the number of Schedules I (SC) included with this Composite Return. You must include a duly completed Schedule I (SC) for each Nonresident Intermediate Entity indicated on line 1 of this Part I.

Line 3 – Detail of the group's ownership structure

Indicate if a detail of the group's ownership structure is included with this Composite Return.

PART II - DISTRIBUTABLE SHARE PER CATEGORY

Enter the amount derived from each activity and the corresponding tax withheld, if any.

Line 1 - Net long-term gain (or loss) on sale or exchange of capital assets

Enter the distributable share of the Nonresident Intermediate Entities included in this Composite Return on the gain or loss derived from the sale or exchange of capital assets held by the Entity for more than one year, as reported on Forms 480.60 EC.

Line 2 - Net short-term gain (or loss) on sale or exchange of capital assets

Enter the distributable share of the Nonresident Intermediate Entities included in this Composite Return on the gain or loss derived from the sale or exchange of capital assets held by the Entity for one year or less, as reported on Forms 480.60 EC.

Line 3 – Net gain (or loss) on sale or exchange of substantially all assets dedicated to an activity under Act 78-1993

Enter the distributable share of the Nonresident Intermediate Entities included in this Composite Return on the gain or loss derived from the sale or exchange of substantially all assets dedicated to an activity under Act 78-1993, as reported by the Entity on Forms 480.60 EC.

Line 4 – Net gain (or loss) on sale or exchange of property used in the business

Enter the distributable share of the Nonresident Intermediate Entities included in this Composite Return on the gain or loss derived from the sale or exchange of property used in the business other than capital assets, as reported by the Entity on Forms 480.60 EC.

Line 5 – Net Income (or loss) from the entity's trade or business

Include on this line the distributable share of the Nonresident Intermediate Entities included in this Composite Return on the net income or loss from the Entity's trade or business. Do not include in this item gains or losses identified on other lines of this Part.

Enter on line 5(a) the share of the Entity's net income attributable to services rendered by owners and not paid to owners as salaries or compensation for services rendered, as reported on Forms 480.60 EC in the name of the Intermediary Entities included in this Composite Return.

Enter on line 5(b) the difference between the amount on line 5 and the amount attributable to the services rendered by owners reported by the Entity on line 5(a), as informed on Forms 480.60 EC in the name of the Intermediary Entities included in this Composite Return.

Line 6 – Net income (or loss) from partially exempt income

Enter on this line the distributable share of the Nonresident Intermediate Entities included in this Composite Return on the net income or loss from operations under Act No. 52 of 1983, Act No. 47 of 1987, Act 78-1993, Act 165-1996, Act 74-2010 or Act 132-2010, as reported by the Entity on Forms 480.60 EC.

Line 7 – Net income (or loss) from income subject to a preferential rate

Enter on this line the distributable share of the Nonresident Intermediate Entities included in this Composite Return on the net operating income or loss covered under an exemption decree subject to a fixed tax rate, excluding dividends, long-term capital gains and income from interests on deposits in financial institutions, as reported by the Entity in Forms 480.60 EC.

Line 8 - Eligible distribution of dividends from corporations at 15%

The owners may claim in their returns the dividends received by the entity from eligible dividend distributions, as defined in Section 1023.06 of the Code, according to their distributable share, along with the portion of the tax withheld.

Enter on this line the distributable share of the Nonresident Intermediate Entities included in this Composite Return on the total eligible dividend distributions subject to the 15% rate received by the Entity from a corporation, as reported in Forms 480.60 EC.

Line 9 - Distributions of dividends subject to ____% withholding

Enter on this line the distributable share of the Nonresident Intermediate Entities included in this Composite Return on the total of dividend distributions subject to a fixed special tax rate not previously specified received by the Entity together with the corresponding tax withheld, as reported in Forms 480.60 EC. Specify the applicable corresponding rate in the space provided for this purpose.

Line 10 - Interest income from deposits in financial institutions subject to withholding

Enter on this line the distributable share of the Nonresident Intermediate Entities included in this Composite Return on the total of interest income received by the Entity from investments or deposits in cooperatives, savings associations authorized by the Federal Government or the Government of Puerto Rico, commercial and mutual banks or in banking organizations established in Puerto Rico, as well as the 10% amount withheld, if such election was made, as reported in Forms 480.60 EC.

Line 11 – Interest income from deposits in financial institutions not subject to withholding

Enter on this line the distributable share of the Nonresident Intermediate Entities included in this Composite Return on the total of taxable interests received or credited by the Entity from investments or deposits in cooperatives, savings associations authorized by the Federal Government or the Government of Puerto Rico, commercial and mutual banks or in banking organizations established in Puerto Rico that were not subject to withholding, as reported in Forms 480.60 EC.

Line 12 - Other interests subject to withholding at 10% rate

Enter on this line the distributable share of the Nonresident Intermediate Entities included in this Composite Return on the total of taxable interest received or credited by the Entity that were subject to 10% preferential rate, as reported in Forms 480.60 EC.

Line 13 - Other interests subject to ____% withholding

Enter on this line the distributable share of the Nonresident Intermediate Entities included in this Composite Return on the total taxable interests received or credited by the Entity that were subject to a fixed special tax rate not previously specified, as well as the amount withheld, as reported in Forms 480.60 EC. Specify the corresponding rate in the space provided for this purpose.

Line 14 – Distributable share on gain from a pass-through entity owned by the entity

The Entity can be owner in another entity (inferior entity).

This line will reflect the distributable share of the Nonresident Intermediate Entities included in this Composite Return on the income from the inferior entity attributable to the Entity, as reported in Forms 480.60 EC.

Line 15 – Distributable share on loss from a pass-through entity owned by the entity

The Entity can be owner in another entity (inferior entity).

This line will reflect the distributable share of the Nonresident Intermediate Entities included in this Composite Return on the loss from the inferior entity attributable to the Entity, as reported in Forms 480.60 EC.

Line 16 – Others

Enter the total of other income not included on the preceding lines. If this line includes income from different concepts, you must submit a schedule showing a breakdown of such income.

Line 18 - Exempt income

Enter the distributable share of the Nonresident Intermediate Entities included in this Composite Return on the total amount of exempt income earned by the Entity, as reported on Forms 480.60 EC.

Line 19 - Exempt income subject to alternate basic tax

Enter the distributable share of the Nonresident Intermediate Entities included in this Composite Return on the total amount of exempt income subject to alternate basic tax, as reported by the Entity in Forms 480.60 EC.

Line 20 - Adjustment for deductions not allowed for alternate basic tax and alternative minimum tax

Enter here the distributable share of the Nonresident Intermediate Entities included in this Composite Return on any adjustment of the Entity that is a deduction not allowed for alternate basic tax or alternative minimum tax, as applicable, and reported in Forms 480.60 EC.

Line 21 - Other adjustments for purposes of the alternate basic tax

Enter on this line the corresponding amount of the distributable share of the Nonresident Intermediate Entities included in this Composite Return on the other adjustments for purposes of the alternate basic tax, as reported in Forms 480.60 EC.

Line 22 - Other adjustments for purposes of the alternative minimum tax

Enter here the distributable share of the Nonresident Intermediate Entities included in this Composite Return on any adjustment to the income from the Entity that, at a owner's level, are considered amounts subject to alternative minimum tax. You must submit a schedule detailing the nature of each item included on this line with the amount of each adjustment per item, as reported by the Entity in Forms 480.60 EC.

Line 23 – Charitable contributions

Enter here the corresponding amount of the distributable share of the Nonresident Intermediate Entities included in this Composite Return on the total charitable contributions or donations paid by the Entity during the taxable year, as reported in Forms 480.60 EC.

Line 24 – Volume of business

Enter here the distributable share of the Nonresident Intermediate Entities included in this Composite Return on the total volume of business of the Entity in order to determine the requirement to file financial statements.

Line 25 - Pass-through entity's gross income

Enter on this line the distributable share of the Nonresident Intermediate Entities included on this Composite Return, in the total gross income of the Entity, as reported in Forms 480.60 EC.

Line 25(a) - Gross income from services rendered

Enter here the distributable share of the Nonresident Intermediate Entities included on this Composite Return, in the total gross income of the Entity that comes from services rendered, as reported by the Entity in Forms 480.60 EC.

Line 26 - Gross income of subsidiary pass-through entities

Enter the distributable share of the Nonresident Intermediate Entities included on this Composite Return, in the gross income of subsidiary pass-through entities, as reported by the Entity in Forms 480.60 EC.

Line 26(a) - Gross income from services rendered

Enter the distributable share of the Nonresident Intermediate Entities included on this Composite Return, in the gross income from services rendered of subsidiary pass-through entities, as reported by the Entity in Forms 480.60 EC.

Line 27 - Optional tax

Enter here the distributable share of the Nonresident Intermediate Entities included on this Composite Return, on the gross income of the Entity that was subject to the optional tax under Section 1071.10 of the Code.

PART III - CREDITS

Use lines 1 through 3 of this Part to claim only the tax credits that are considered Pre Tax Credits Manager. The Post Tax Credits Manager credits are claimed in Part VI.

Act 52 of June 30, 2022 ("Act 52-2022") added Section 1051.16 to the Code to authorize the Secretary of the Treasury ("Secretary") to create the Tax Credit Manager ("TCM") as part of the Department's electronic system. In general terms, the TCM is a tool that allows the Department to manage and supervise the tax credits and, on the other hand, allows taxpayers to carry out all transactions related to their tax credits.

According to Administrative Determination No. 22-11 ("AD 22-11"), issued by the Department on December 22, 2022, the date of implementation of the TCM for purposes of determining the Pre TCM and Post TCM Credits, was January 1, 2023.

A Pre TCM Credit will be considered: (1) any tax credit generated in an income tax return corresponding to taxable years beginning before January 1, 2023, including any carryover balance from previous years and; (2) all tax credits, including any carryforward balance from previous years, granted by administrative determination or certification issued by any Regulatory Agency, as such term is defined in Section 1051.16(b)(3) of the Code, which date of issuance is prior to January 1, 2023. In the case of Credits for Investment in Research and Development Activities, those registered in the Integrated Tax Credit Portal (CCI Portal, for its Spanish acronym) as of January 18, 2023 will also be considered Pre TCM Credits. **Pre TCM Credits will not be registered in the TCM.**

On lines 1 and 2 of this Part, the taxpayer may identify the Pre TCM Credits as subject or not subject to the limitation provided under Section 1051.13 of the Code.

The credits provided below may be claimed subject to the rules of use established in the special act under which they were granted and the applicable provisions of the Code. However, Pre TCM credits may be claimed during a period of three (3) taxable years after the date of implementation of the TCM ("Transition Period").

Any available balance not used from Pre TCM credits at the end of the Transition Period, may not be claimed or carried over to subsequent taxable years.

Pursuant to AD 22-11, the first taxable year of the Transition Period was taxable year 2023, therefore, Pre TCM Credits may be claimed until taxable year 2025. Beginning with taxable year 2026, only Post TCM Credits may be claimed. During the Transition Period and when the act under which the credit was granted allows it, the holder may sell or assign the Pre TCM Credits and the buyer or assignee will be subject to the same limitations applicable to the seller on said Pre TCM Credits established in Section 1051.16 of the Code and AD 22-11.

The amount of credit that must be included in the corresponding line of this Part must be the amount of the tax credit available from the Entity to be distributed to the Nonresident Intermediate Entities or Nonresident Owners. It should be noted that in the case of Pre TCM Credits, they will be subject to the provisions of Section 1051.16(h) of the Code.

For additional information on the TCM, refer to AD 22-11, the Internal Revenue Circular Letters No. 23-02 ("IR CL 23-02"), No. 23-14 ("IR CL 23-14") and to any other publication issued by the Department.

The distributable share of the Nonresident Intermediate Entities in the credits provided below may be claimed subject to the rules of use established in the special act under which said credits are granted and the applicable provisions of the Code. However, credits covered under Section 1051.12(a)(4), (5) and (7) of the Code will be subject to the limitation of use provided in Section 1051.13 of the Code.

Credits acquired through purchase may only be claimed on lines 1(B) and 2(B) of this Part III, as applicable. Lines 1(A), 1(C), 2(A) and 2(C) of this Part III should only be used to claim credits generated during the current taxable year.

A. CREDITS SUBJECT TO THE LIMITATION PROVIDED BY SECTION 1051.13 OF THE CODE**Line 1(A) – Credit attributable to losses or investment in Capital Investment, Tourism, other funds or direct investment**

Enter on this line the distributable share of the Nonresident Intermediate Entities included in this Composite Return on the amount of credit attributable to losses or for investment in a Capital Investment Fund, Tourism Fund, other funds or directly, as reported by the Entity in Forms 480.60 EC.

Line 1(B) - Credit for the purchase of tax credits

Enter on this line the distributable share of the Nonresident Intermediate Entities included in this Composite Return on the tax credits subject to limitation acquired by the Entity during the year through the purchase, exchange or transfer from the primary investor, as reported in Forms 480.60 EC.

To claim this credit, the conveyor and the cessionary will submit with the income tax returns in the year of the cession, a sworn statement notifying the same to the Secretary.

Part V must be completed to indicate the act (or acts) under which the credit was acquired and its amount.

Line 1(C) - Other credits not included on the preceding lines

Enter on this line the distributable share of the Nonresident Intermediate Entities included in this Composite Return on the total amount of other credits subject to limitation not included on the preceding lines, as reported in Forms 480.60 EC.

If on this line you included credits from different concepts, you must submit a schedule showing a breakdown of such credits. You must also submit documents or evidence to support every credit claimed on this line.

B. CREDITS NOT SUBJECT TO THE LIMITATION PROVIDED BY SECTION 1051.13 OF THE CODE**Line 2(A) – Credit for tax withheld at source from Industrial Development dividends (Act No. 8 of 1987)**

The owners of an entity will be entitled to claim, according to the percentage applicable to the distributable share of the entity, a credit as established in Section 4(a) of the Incentives Act, against the tax due for the year in which the entity received, as an investor, a distribution from Industrial Development Income.

Enter on this line the distributable share of the Nonresident Intermediate Entities included in this Composite Return on the tax withheld at source to the Entity on dividends from Industrial Development Income, as reported in Forms 480.60 EC.

Line 2(B) – Credit for the purchase of tax credits

Enter on this line the distributable share of the Nonresident Intermediate Entities included in this Composite Return on the tax credits not subject to limitation acquired by the Entity during the year through the purchase, exchange or transfer from the primary investor, as reported on Forms 480.60 EC.

In order to claim this credit, the conveyor and the cessionary will submit with the income tax returns in the year of the cession, a sworn statement notifying the same to the Secretary.

Part V must be completed to indicate the act (or acts) under which the credit was acquired and the amount.

Line 2(C) – Other credits not included on the preceding lines

Enter on this line the distributable share of the Nonresident Intermediate Entities included in this Composite Return on the total amount of other credits not subject to limitation not included in the preceding lines, as reported on Forms 480.60 EC.

If on this line you included credits from different concepts, you must submit a schedule showing a breakdown of such credits. You must also submit documents or evidence to support every credit claimed on this line.

PART IV - TAXES PAID TO FOREIGN COUNTRIES AND THE UNITED STATES, ITS STATES, TERRITORIES AND POSSESSIONS

Enter in this part the distributable share of the Nonresident Intermediate Entities included in this Composite Return on the net income from sources outside of Puerto Rico derived by the Entity and the taxes paid by the Entity outside of Puerto Rico on said net income. This Part IV provides space to include the income per country of up to 3 countries, in addition to the United States.

Line 1 – Net income from sources within the country, state, territory or possession

Enter on this line the distributable share of the Nonresident Intermediate Entities included in this Composite Return on the net income from sources outside of Puerto Rico derived by the Entity, as reported in Forms 480.60 EC.

Line 2 – Tax paid or accrued during the year

Enter on this line the distributable share of the Nonresident Intermediate Entities included in this Composite Return on the income tax paid or accrued to the United States, its states, territories or possessions or foreign country, as reported in Forms 480.60 EC.

PART V - BREAKDOWN OF THE PURCHASE OF TAX CREDITS

Use this Part to claim only the tax credits acquired through purchase and that are considered Pre Tax Credits Manager. The purchase of Post Tax Credits Manager credits is claimed in Part VI.

Enter the distributable share of the Nonresident Intermediate Entities included in this Composite Return on the amount of credit acquired by the Entity. Check the block corresponding to the act (or acts) under which the credit was acquired. Transfer the amount from lines 7 and 15 to Part III of this Form 480.10(SC), lines 1(B) and 2(B), respectively.

In the cases of purchase of Post TCM credits, you must refer to AD 12-11, IR CL 23-02, IR CL 23-14 and to any other publication issued by the Department for more details.

PART VI - TAX CREDITS POST TAX CREDITS MANAGER

Use this Part to claim only the tax credits that are considered Post Tax Credits Manager. This includes the credits acquired through purchase and that are considered Post Tax Credits Manager.

Section 1051.16(b)(1) of the Code defines the term *Post TCM Credit* as any tax credit granted under the Code, the Puerto Rico Incentives Code, Previous Incentives Acts or any other special act, as of the date of the implementation of the TCM. As established in AD 22-11, the implementation date of the TCM was January 1, 2023.

Subsection (d) of Section 1051.16 provides that it will be an essential requirement to have the right to claim any Post TCM credit, that the same is registered with the TCM. **Post TCM credits that are not registered in the TCM cannot be claimed against the tax liability.** For detailed information on the process of registering tax credits in the TCM, refer to IR CL 23-02.

In this Part, you must include the tax credits granted as of the date of implementation of the TCM and that are duly registered. **The amount of credit to be included on the corresponding line must be the exact amount you are claiming against the return tax, net of all limitations, instead of the total amount of credit available.** This is because the amount you enter in this part is the amount by which the credit available in the TCM will be reduced.

As an example, the taxpayer has a Post TCM credit of \$10,000 duly registered in the TCM and the tax determined in the return is \$8,000. Assuming that the taxpayer has no other tax credit, you must enter \$8,000 on the corresponding line. Once you claim this amount in the return, the total credit available in the TCM of \$10,000 will be reduced to \$2,000 (that is, \$10,000 less \$8,000 of credit claimed on the return).

On the other hand, pursuant to AD 12-07, the owners of the Nonresident Intermediate Entities, that are not pass-through entities, will be required to file an income tax return in Puerto Rico in their individual capacity, in accordance with the provisions of the Code. When two or more of said owners of the Nonresident Intermediate Entities are nonresident individuals, the Department has available the composite return mechanism described in Section A.1 of AD 12-07, which must be filed by the Entity. Based on the above, the Post TCM Credits that have been generated or acquired by the Entity may be claimed by the owners of the Nonresident Intermediate Entities in the income tax return that they are required to file in Puerto Rico. In these cases, the Post TCM Credits generated or acquired by the Entity must be transferred to the owners, that is, to the owners of the Nonresident Intermediate Entities in the TCM. Likewise, and before being able to claim the credit on their return, the owner must accept the transfer of the credits in the TCM in order that they are reflected as available, in the "Access my Tax Credits" link, in their income tax account. Refer to IR CL 23-14 for details on the process of claiming Post TCM Credits from a pass-through entity.

To know the percentages, limitations, possibility of transfer and/or carryover of the credits listed in this Part, you must refer to the credit determination or certification that has been granted, the rules of use established in the special act under which the credits were granted and the applicable provisions of the Code.

Any credit claimed in this Part that is not properly reflected in the taxpayer's TCM will be adjusted and the taxpayer will receive a Notice of

Mathematical Error in accordance with the provisions of Section 6010.02(g) of the Code.

For additional information, refer to AD 22-11, IR CL 23-02, IR CL 23-14, and to any other publication issued by the Department.

If you have doubts or questions related to the operation of the TCM, please send an email to mcc@hacienda.pr.gov.

PART VII – DISTRIBUTABLE SHARE ON NET INCOME SUBJECT TO PREFERENTIAL RATES

Enter in this part the distributable share of the Nonresident Intermediate Entities included in this Composite Return on the net income and the income tax in the case where the Entity operates with an exemption decree under a Puerto Rico tax incentives act, as detailed in Forms 480.60 EC.

In addition, enter the distributable share of the Nonresident Intermediate Entities in the net income and the income tax earned through subsidiary pass-through entities, as reported in Forms 480.60 EC received by the Entity.

In the Columns of “Net Income” and “Tax Determined” you must indicate the amount attributable to the Nonresident Intermediate Entities from Schedules Cl, V, W, X, Y, Z and AA Pass-Through Entity, as applicable, and the amounts earned through subsidiary pass-through entities, as applicable, as reported in Forms 480.60 EC.

The total tax indicated on line 8 of this part, must be paid by the Entity in representation of the Nonresident Intermediate Entities.

SCHEDULE I (SC) - “PASS-THROUGH ENTITY INFORMATIVE INCOME TAX RETURN - COMPOSITE” (To be filed with Form 480.10(SC))

Every Nonresident Owner may exercise the option to meet its tax responsibility through the filing of a Composite Return by submitting to the Entity every year an affidavit on Schedule I (SC) as explained below:

HEADING SCHEDULE I (SC)

Include the name, address and employer’s identification number of the Nonresident Owner. Also, please identify the type of entity and the place of organization.

In addition, the owner must certify under oath the following:

1. That it is an owner, officer, or authorized representative to execute this affidavit;
2. That the information provided in the Heading of Schedule I (SC) is correct;
3. That it is an owner of the entity described on line 4;
4. The name, employer identification number and address of the Resident Entity of which it is an owner, the type of entity, and the participation percent on the entity’s income, gains and losses;
5. The type of income for which the affidavit applies: if it is distributed or undistributed Puerto Rico income derived by a Partnership, a Limited Liability Company taxed as a pass-through entity, or a Corporation taxed as a pass-through entity;
6. That the Nonresident Intermediate Entity does not derive other income from Puerto Rico sources and that its only source of taxable income in Puerto Rico is the Resident Entity;
7. That the affidavit applies to the year indicated in the upper right corner of Schedule I (SC).

The Nonresident Owner must sign and date the Schedule certifying under oath that the information provided is true, correct and complete.

The Composite Return filed by the Entity, along with the affidavit submitted by the Nonresident Owner, will constitute for all purposes of the Code, the income tax return of said Nonresident Intermediate Entity.