

Reviewer:	Liquidator:	20	GOVERNMENT OF PUERTO RICO DEPARTMENT OF THE TREASURY	20	Serial Number											
Field audited by:		CORPORATION OF INDIVIDUALS INFORMATIVE INCOME TAX RETURN														
Date ____/____/____		TAXABLE YEAR BEGINNING ON _____, 20____ AND ENDING ON _____, 20____														
R M N <table border="1" style="display: inline-table; border-collapse: collapse; text-align: center;"> <tr><td style="width: 15px; height: 15px;"></td><td style="width: 15px; height: 15px;"></td><td style="width: 15px; height: 15px;"></td><td style="width: 15px; height: 15px;"></td><td style="width: 15px; height: 15px;"></td><td style="width: 15px; height: 15px;"></td><td style="width: 15px; height: 15px;"></td><td style="width: 15px; height: 15px;"></td><td style="width: 15px; height: 15px;"></td><td style="width: 15px; height: 15px;"></td></tr> </table>												OPTION 94 <input type="checkbox"/>				AMENDED RETURN <input type="checkbox"/>
Entity's Name		Employer Identification Number		Receipt Stamp												
Postal address		Industrial Code	Municipal Code													
Zip code		Telephone Number - Extension														
Location of Principal Industry or Business - Number, Street, City		Date incorporated or created Day ____/Month ____/Year ____														
Type of Principal Industry or Business		Place incorporated or created														
Date of election to operate as Corporation of Individuals		Total Forms 480.60 CI		Merchant's Registration Number												

Part I	1. Indicate if the corporation of individuals has an exemption decree. If the answer is "Yes", indicate the act _____ 2. If the corporation of individuals has an exemption decree, did it choose not to apply the exemption for this year? _____ 3. Is the corporation of individuals a shareholder of other entity with an exemption decree currently in force? (If it is more than one entity submit detail) _____ Indicate: Entity's name _____ Employer identification number _____	<table border="1" style="width:100%; border-collapse: collapse;"> <tr><td style="text-align: center;">YES</td><td style="text-align: center;">NO</td></tr> <tr><td style="text-align: center;"> </td><td style="text-align: center;"> </td></tr> <tr><td style="text-align: center;"> </td><td style="text-align: center;"> </td></tr> <tr><td style="text-align: center;"> </td><td style="text-align: center;"> </td></tr> </table>	YES	NO						
YES	NO									

	Distributable share per category	Amount	Tax Withheld
Part II	1. Net long-term gain (or loss) on sale or exchange of capital assets (Schedule D Corporation) (1)	00	
	2. Net short-term gain (or loss) on sale or exchange of capital assets (Schedule D Corporation) (2)	00	
	3. Net gain (or loss) on sale or exchange of substantially all assets dedicated to an activity under Act 78-1993 (Schedule D Corporation) (3)	00	
	4. Net gain (or loss) on sale or exchange of property used in the business (Schedule D Corporation) (4)	00	
	5. Net income (or loss) from the corporation of individuals' trade or business (Part VII, line 42) (See instructions) (5)	00	00
	a) Share of the net income attributable to services rendered by the stockholders (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 (Schedule L, Part I, line 3) (6)	00	00
	7. Net income (or loss) from income subject to a preferential rate (7)	00	00
	8. Eligible distribution of dividends from corporations (See instructions) (8)	00	00
	9. Interest income from deposits in financial institutions (9)	00	00
	10. Distributable share on income, gain or loss from a partnership or special partnership owned by the corporation of individuals (See instructions) (10)	00	00
	11. Total net income (or loss) from distributable share per category (Add lines 1 through 10) (11)	00	00
	12. Exempt income (Submit Schedule IE) (12)	00	
	13. Exempt income subject to alternate basic tax (Submit Schedule IE) (13)	00	
14. Adjustment for purposes of the alternate basic tax (See instructions) (14)	00		
15. Volume of business (See instructions) (15)	00		

	Credits	Amount	Taxes Paid or Accrued
Part III	1. Credit for investment in a Capital Investment Fund, other funds or direct investments (Schedule Q) (1)	00	
	2. Credit attributable to losses in a Capital Investment Fund or other funds (Schedule Q) (2)	00	
	3. Credit for tax withheld at source from Industrial Development dividends (Act No. 8 of 1987) (3)	00	
	4. Credit for the purchase of tax credits (Submit detail) (4)	00	
	5. Credit for the payment of additional duties on luxury vehicles under Act 42-2005 (See instructions) (5)	00	
	6. Employee retention credit (Schedule B3 Corporation) (6)	00	
	7. Other credits not included on the preceding lines (Submit detail) (See instructions) (7)	00	
	8. Total Tax Credits (Add lines 1 through 7) (8)	00	

	Taxes Paid to Foreign Countries and the United States, its Territories and Possessions	Amount	Taxes Paid or Accrued
Part IV	1. Net income from sources outside of Puerto Rico (1)	00	00

	Tax computation on built-in gain	Amount	Taxes Paid or Accrued
Part V	1. Tax liability (Schedule GI, Part IV, line 14) (1)		00
	2. Less amount paid:		
	a) Automatic extension or original return (2a)	00	
	b) Estimated tax or tax withheld at source (2b)	00	
	c) With the return (2c)	00	
	d) Total (Add lines 2(a) through 2(c)) (2d)		00
	3. Balance of tax due (Subtract line 2(d) from line 1. If line 2(d) is larger than line 1, enter the difference on line 4) (3)		00
	4. Amount overpaid (Subtract line 2(d) from line 1) (4)		00

Part VI	1. Net sales (1)		00	
	Less: Cost of goods sold or direct costs of production:			
	2. Inventory at the beginning of the year <input type="checkbox"/> "C" <input type="checkbox"/> "C" o "MV"			
	(a) Materials (2a)		00	
	(b) Goods in process (2b)		00	
	(c) Finished goods or merchandise (2c)		00	
	3. Purchase of materials or merchandise (3)		00	
	4. Direct wages (4)		00	
	5. Other direct costs (Detail in Part VIII) (5)		00	
	6. Total (Add lines 2 through 5) (6)		00	
	7. Less: Inventory at the end of the year <input type="checkbox"/> "C" <input type="checkbox"/> "C" o "MV"			
	(a) Materials (7a)		00	
	(b) Goods in process (7b)		00	
	(c) Finished goods or merchandise .. (7c)		00	00
	8. Gross profit on sales or production (8)			00
9. Loss from the sale or exchange of property used in business (9)			00	
10. Rent (10)			00	
11. Interest (11)			00	
12. Income from services or commissions (12)			00	
13. Gain (or loss) on distributable share from special partnerships (Submit Schedule R) (13)			00	
14. Miscellaneous income (14)			00	
15. Total income (Add lines 8 through 14) (15)			00	

Part VII	16. Compensation to stockholders or officers (Part IX) (16)		00	
	17. Salaries, commissions and bonuses to employees (17)		00	
	18. Commissions to businesses (18)		00	
	19. Social security tax (FICA) (19)		00	
	20. Unemployment tax (20)		00	
	21. State Insurance Fund premiums (21)		00	
	22. Medical or hospitalization insurance (22)		00	
	23. Insurances (23)		00	
	24. Interest (24)		00	
	25. Rent (25)		00	
	26. Property tax: (a) Personal _____ (b) Real _____ (26)		00	
	27. Other taxes, patents and licenses (Submit detail) (27)		00	
	28. Losses from fire, storm, other casualties or theft (28)		00	
	29. Motor vehicle expenses (Mileage _____) (See instructions) (29)		00	
	30. Other motor vehicle expenses (See instructions) (30)		00	
	31. Meal and entertainment expenses (Total _____) (31)		00	
	32. Travel expenses (32)		00	
	33. Professional services (33)		00	
	34. Contributions to pensions and other qualified plans (34)		00	
	35. Depreciation (Submit Schedule E) (35)		00	
	36. Bad debts (See instructions) (36)		00	
	37. Charitable contributions (37)		00	
	38. Organization and syndication (38)		00	
	39. Deduction for employers who employ handicapped persons (39)		00	
40. Other deductions (Submit detail) (40)		00		
41. Total deductions (Add lines 16 through 40) (41)			00	
42. Net operating income (or loss) (Subtract line 41 from line 15. Transfer to Part II, line 5) (42)			00	

Part VIII	1. Salaries, wages and bonuses (1)	00	8. Repairs (8)	00
	2. Social security tax (FICA) (2)	00	9. Utilities (9)	00
	3. Unemployment tax (3)	00	10. Depreciation (Submit Schedule E) (10)	00
	4. State Insurance Fund premiums (4)	00	11. Other expenses (Submit detail) (11)	00
	5. Medical or hospitalization insurance (5)	00	12. Total other direct costs (Add lines 1 through 11. Same as Part VI, line 5) (12)	00
	6. Other insurances (6)	00		
	7. Excise taxes / Use taxes (7)	00		

Compensation to stockholders or officers

Part IX	Name of Stockholder	Social Security Number	Percentage of time devoted to Business	Percentage of stocks or shares owned		Compensation
				Common	Preferred	
						00
						00
						00
						00
						00
						00
Total compensation to stockholders or officers (Transfer to Part VII, line 16)						00

Comparative Balance Sheet

Part X	Assets	Beginning of the year		Ending of the year	
			Total		Total
	1. Cash on hands and in bank (1)		00	(1)	00
	2. Accounts receivable (2)	00		(2)	00
	3. Less: Reserve for bad debts (3)	(00)	00	(3) (00)	00
	4. Notes receivable (4)		00	(4)	00
	5. Inventories (5)		00	(5)	00
	6. Investments (6)		00	(6)	00
	7. Depreciable assets (7)	00		(7)	00
	8. Less: Reserve for depreciation (8)	(00)	00	(8) (00)	00
	9. Land (9)		00	(9)	
	10. Other assets (10)		00	(10)	00
	11. Total Assets (11)		00	(11)	00
	Liabilities and Stockholder's Equity				
	Liabilities				
	12. Accounts payable (12)	00		(12)	00
	13. Accrued expenses (not paid) (13)	00		(13)	00
	14. Long-term notes payable (14)	00		(14)	00
	15. Other liabilities (15)	00		(15)	00
	16. Total Liabilities (16)		00	(16)	00
	Stockholder's Equity				
	17. Capital stock				
	(a) Preferred stock (17a)	00		(17a)	00
	(b) Common stock (17b)	00		(17b)	00
	18. Additional paid in capital (18)	00		(18)	00
	19. Retained earnings (19)	00		(19)	00
	20. Reserve (20)	00		(20)	00
	21. Total Stockholder's Equity (21)		00	(21)	00
	22. Total Liabilities and Stockholder's Equity (22)		00	(22)	00

Reconciliation of Net Income (or Loss) per Books with Net Taxable Income (or Loss) per Return

Part XI	1. Net income per books (1)	00	5. Income recorded on books this year not included on this return	
	2. Taxable income not recorded on books this year (Itemize)		(a) Exempt interest	
	(a)		(b)	
	(b)		(c)	
	(c)		Total (5)	00
	3. Expenses recorded on books this year not claimed on this return		6. Deductions on this return not charged against book income this year	
	(a) Meal and entertainment (amount not claimed)		(a) Depreciation	
	(b) Depreciation		(b)	
(c) Motor vehicles (in excess of the limit)		(c)		
(d) Vessels, aircrafts and property located out of Puerto Rico		Total (6)	00	
(e)		7. Total (Add lines 5 and 6) (7)	00	
Total (3)	00	8. Net taxable income (or loss) per return		
4. Total (Add lines 1 through 3) (4)	00	(Subtract line 7 from line 4) (8)	00	

Analysis of Undistributed Profits per Books

Part XII	1. Balance at the beginning of the year (1)	00	5. Distributions:	(a) Cash (5a)	00
	2. Net income per books (2)	00		(b) Property (5b)	00
	3. Other increases (Itemize, use schedule if necessary)			(c) Stocks (5c)	00
	(a) (3a)	00	6. Other decreases (Itemize)	(6)	00
	(b) (3b)	00	7. Total (Add lines 5 and 6)	(7)	00
	4. Total (Add lines 1, 2 and 3) (4)	00	8. Balance at end of year (Subtract line 7 from line 4)	(8)	00

Computation of gross income percentage derived from trade or business			
Part XIII	(A) Income from the conduct of a trade or business exclusively in P.R.	(B) Income from non related activities (including income from sources outside of P.R.)	
	1. Gross income derived during the period (Add Columns A and B)	(1)	00
	2. Gross income from the trade or business (Column A)	(2)	00
	3. Divide line 2 by line 1	(3)	%

Questionnaire			
Part XIV		YES	NO
		1. Did the corporation keep part of its records on a computerized system during this year?	(1)
	2. The corporation's books are in care of: Name _____ Address _____ E-mail _____ Telephone _____		
	3. Check accounting method used: <input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Others (specify): _____		
	4. Did the corporation file the following documents? (a) Informative Returns	(4a)	
	(b) Withholding Statement (Form 499R-2/W-2PR)	(4b)	
	5. If the corporation's gross income exceeds \$3,000,000, are financial statements audited by a CPA licensed in Puerto Rico included with this return?	(5)	
	6. Is the corporation a member of a group of related entities?	(6)	
	7. Did the corporation claim deductions for expenses connected with ownership, use, maintenance and depreciation of: (a) Vehicles?	(7a)	
	(b) Vessels?	(7b)	
	(1) Did more than 80% of the total income was derived from activities exclusively related to fishing or passengers or cargo transportation or lease?	(7b1)	
	(c) Aircrafts?	(7c)	
	(1) Did more than 80% of the total income was derived from activities exclusively related to passengers or cargo transportation or lease?	(7c1)	
	(d) Residential property outside of Puerto Rico? (1) Did more than 80% of the total income was derived from activities exclusively related to the lease of property to non related persons?	(7d)	
	8. Did the corporation of individuals claim expenses connected to: (a) Housing? (except business employees)	(8a)	
	(b) Employees attending conventions or meetings outside Puerto Rico or the United States?	(8b)	
	9. Did the corporation of individuals have earnings or profit related to periods when it was not a corporation of individuals, or received in liquidations or reorganizations?	(9)	
	10. Is the corporation of individuals a partner in a partnership or special partnership? (If more than one submit detail)	(10)	
	Name _____ Employer Identification Number of the inferior Partnership or Special Partnership _____ Enter the proportion of participation _____		
	11. Enter the amount of charitable contributions to municipalities included in Part VII, line 37 _____		
	12. Did the corporation of individuals receive income from temporary investment during the first 36 months of starting the trade or business?	(12)	
	13. Number of stockholders _____		
	14. Number of employees _____		

OATH

I _____, principal officer of the corporation for which this Corporation of Individuals Informative Income Tax Return is made, 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 informative return, made in good faith, pursuant to the Puerto Rico Internal Revenue Code of 2011, as amended, and the Regulations thereunder.

Principal officer's signature

Specialist's Use Only

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 is with respect to the information received, and this information may be verified.

Specialist's name (Print)	Registration No.	Date	Check here if self - employed specialist <input type="checkbox"/>
Firm's name	Employer Identification Number		
Specialist's signature	Address	Zip code	

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.

Retention Period: Ten (10) years

Schedule L (P, SP, CI, ESC)

Rev. 05.12



PARTIALLY EXEMPT INCOME

20__

Taxable year beginning on _____, 20__ and ending on _____, 20__

Entity's Name	Case Number	Employer Identification Number
---------------	-------------	--------------------------------

Type of Entity:

Partnership
 Special Partnership
 Corporation of Individuals
 Employees Owned Special Corporation

Partially Exempt Income (Check one):

<input type="checkbox"/> Act No. 52 of 1983	<input type="checkbox"/> Act 78-1993	<input type="checkbox"/> Act 74-2010
<input type="checkbox"/> Act No. 47 of 1987	<input type="checkbox"/> Act 225-1995	

Part I **Net Income (or Loss)**

1. Net operating income (or loss) for the year (Part III, line 39)	(1)	00
2. Exempt amount - _____%	(2)	00
3. Net income (or loss) from partially exempt activities (Subtract line 2 from line 1. Enter here and in Part II, line 6 of the return)	(3)	00

Part II **Gross Profit on Sales or Production and Other Income**

1. Net sales	(1)	00
Less: Cost of goods sold or direct costs of production		
2. Inventory at the beginning of the year <input type="checkbox"/> "C" <input type="checkbox"/> "C" o "MV"		
(a) Materials	(2a)	00
(b) Goods in process	(2b)	00
(c) Finished goods or merchandise	(2c)	00
3. Purchase of materials or merchandise	(3)	00
4. Direct wages	(4)	00
5. Other direct costs (Detail in Part IV)	(5)	00
6. Total cost of goods available for sale (Add lines 2 through 5)	(6)	00
7. Less: Inventory at the end of the year <input type="checkbox"/> "C" <input type="checkbox"/> "C" o "MV"		
(a) Materials	(7a)	00
(b) Goods in process	(7b)	00
(c) Finished goods or merchandise	(7c)	00
8. Gross profit on sales or production	(8)	00
9. Capital assets gain (or loss) (Schedule D Corporation)	(9)	00
10. Gain (or loss) from the sale of property other than capital assets (Schedule D Corporation)	(10)	00
11. Interest	(11)	00
12. Other income (Submit detail)	(12)	00
13. Total income (Add lines 8 through 12)	(13)	00

Retention Period: Ten (10) years

Part III		Deductions and Net Operating Income	
14. Compensation to partners (stockholders) or officers	(14)	00	
15. Salaries, commissions and bonuses to employees	(15)	00	
16. Commissions to businesses	(16)	00	
17. Social security tax (FICA)	(17)	00	
18. Unemployment tax	(18)	00	
19. State Insurance Fund premiums	(19)	00	
20. Medical or hospitalization insurance	(20)	00	
21. Insurances	(21)	00	
22. Interest	(22)	00	
23. Rent	(23)	00	
24. Property tax: (a) Personal _____ (b) Real _____	(24)	00	
25. Other taxes, patents and licenses (Submit detail)	(25)	00	
26. Losses from fire, storm, theft or other casualties	(26)	00	
27. Motor vehicle expenses (Mileage _____) (See instructions)	(27)	00	
28. Other motor vehicle expenses (See instructions)	(28)	00	
29. Meal and entertainment expenses (Total _____)	(29)	00	
30. Travel expenses	(30)	00	
31. Professional services	(31)	00	
32. Contributions to pensions and other qualified plans (See instructions)	(32)	00	
33. Depreciation (Submit Schedule E)	(33)	00	
34. Bad debts (See instructions of line 35 of the return. Submit detail)	(34)	00	
35. Charitable contributions	(35)	00	
36. Repairs	(36)	00	
37. Other deductions (Submit detail)	(37)	00	
38. Total deductions (Add lines 14 through 37)	(38)		00
39. Net operating income (or loss) for the year (Subtract line 38 from line 13. Enter here and in Part I, line 1)	(39)		00

Part IV		Detail of Other Direct Costs	
1. Salaries, wages and bonuses	(1)	00	
2. Social security tax (FICA)	(2)	00	
3. Unemployment tax	(3)	00	
4. State Insurance Fund premiums	(4)	00	
5. Medical or hospitalization insurance	(5)	00	
6. Other insurances	(6)	00	
7. Excise taxes / Use taxes	(7)	00	
8. Repairs	(8)		00
9. Utilities	(9)		00
10. Depreciation (Submit Schedule E)	(10)		00
11. Other expenses (Submit detail)	(11)		00
12. Total other direct costs (Add lines 1 through 11. Enter in Part II, line 5)	(12)		00

Retention Period: Ten (10) years

Schedule GI (P, SP, CI)

Rev. 05.12



TAX DETERMINATION ON BUILT-IN GAINS

20__

Taxable year beginning on _____, 20__ and ending on _____, 20__

Entity's Name _____ Employer Identification Number _____

Type of Entity: Partnership Special Partnership Corporation of Individuals

Part I Built-In Gain and Loss Not Realized					
Description of property	(A) Date acquired	(B) Date of conversion	(C) Market value at the time of conversion	(D) Adjusted basis at the time of conversion	(E) Built-in gain or loss not realized
			00	00	00
			00	00	00
			00	00	00
1. Total					00
2. Net built-in gain recognized on previous years					00
3. Total net built-in gain not realized (Subtract line 2 from line 1) (Transfer to Part IV, line 6)					00

Part II Built-In Gain Recognized (Assets sold during the year)							
Description of property	(A) Date acquired	(B) Date sold	(C) Sale price	(D) Allowable depreciation	(E) Costs or other basis and improvement costs	(F) Selling expenses	(G) Gain
			00	00	00	00	00
			00	00	00	00	00
			00	00	00	00	00
1. Total							00
2. Built-in gain not realized on assets sold during the year (From Part I)							00
3. Built-in gain recognized (Enter the smaller of lines 1 and 2)							00

Part III Built-In Loss Recognized (Assets sold during the year)							
Description of property	(A) Date acquired	(B) Date sold	(C) Sale price	(D) Allowable depreciation	(E) Costs or other basis and improvement costs	(F) Selling expenses	(G) Loss
			00	00	00	00	00
			00	00	00	00	00
			00	00	00	00	00
1. Total							00
2. Built-in loss not realized on assets sold during the year (From Part I)							00
3. Built-in loss recognized (Enter the smaller of lines 1 and 2)							00

Part IV Tax on Net Built-In Gain Recognized		
1. Built-in gain recognized (Same as Part II, line 3)	(1)	00
2. Built-in loss recognized (Same as Part III, line 3)	(2)	00
3. Excess of built-in gain recognized over built-in loss recognized (Subtract line 2 from line 1)	(3)	00
4. Carryover net built-in gain not recognized on previous years (See instructions)	(4)	00
5. Total net built-in gain recognized (Add lines 3 and 4)	(5)	00
6. Net built-in gain not realized (Same as Part I, line 3)	(6)	00
7. Net built-in gain recognized before other adjustments (Enter the smaller of lines 5 and 6)	(7)	00
8. Adjustment on income and deductions (See instructions)	(8)	00
9. Net built-in gain recognized (Subtract line 8 from line 7)	(9)	00
10. Net taxable income	(10)	00
11. Net built-in gain recognized before operating or carry forward capital losses (Enter the smaller of lines 9 and 10)	(11)	00
12. Carry forward losses (See instructions)	(12)	00
13. Net built-in gain recognized subject to tax (Subtract line 12 from line 11)	(13)	00
14. Tax determined (Multiply line 13 by 30%)	(14)	00



CORPORATION OF INDIVIDUALS INFORMATIVE INCOME TAX RETURN

FORM 480.20(I)

GENERAL INSTRUCTIONS

WHO MUST FILE THIS RETURN?

Every corporation engaged in trade or business in Puerto Rico that has a Corporation of Individuals election currently in force must file a return to report the income earned during the corresponding taxable year.

For purposes of this return, the terms corporation of individuals and stockholder include an existing partnership as of January 1, 2011 and a limited liability company and any corresponding partner or member if they are under the benefits of a corporation of individuals.

WHEN AND WHERE IT MUST BE FILED?

This return must be filed not later than the 15th day of the third month following the closing of the corporation of individuals' taxable year.

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

DEPARTMENT OF THE TREASURY
PO BOX 9022501
SAN JUAN PR 00902-2501

It may also be delivered at the Internal Revenue Collections Office of your municipality.

AUTOMATIC EXTENSION OF TIME TO FILE THE RETURN

A three (3) month automatic extension of time to file the return will be granted if it is requested not later than the due date to file the return. This will be done using Form AS 2644.

An extension of time to file the return does not extend the time for the payment of the tax corresponding to the distributable share of the stockholder in the Corporation of Individuals.

COLUMN OF CENTS

While completing the return, the column of cents will not be used. 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 the Consulting Section at **(787) 722-0216**.

INSTRUCTIONS TO COMPLETE THE RETURN

HEADING OF THE RETURN

If the taxable year of the corporation of individuals is a calendar year, there is no need to enter the date on which the taxable year begins and ends, only the corresponding year. Otherwise, if it is a fiscal year, you must enter the date on which the taxable year begins and ends in the space provided in the corporation of individuals return.

Enter in the corresponding space the name, address and employer identification number of the corporation of individuals. **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, as well as the date and place created or incorporated.

Enter in the corresponding box the number of Forms 480.60 CI (Informative Return – Corporation of Individuals) included with the return. A copy of Forms 480.60 CI provided to each stockholder must be included with the return.

Every corporation of individuals that exercises the option to determine the net taxable income according to Act 120-1994, as amended (Option 94), must indicate that it is filing under Option 94 in the space provided for this purpose in the upper right corner of the return. Also, you must submit with the return Schedule C 94 duly completed and signed by all stockholders of the corporation of individuals.

PART I – TYPE OF EXEMPTION

Line 1 - Indicate if the corporation of individuals has a tax exemption decree

Indicate if the corporation of individuals has an exemption decree under any of the following acts: Puerto Rico Tourism Development Act of 2010, as amended (Act 74-2010), Puerto Rico Agricultural Incentives Act, as amended (Act 225-1995), Public and Private Sector Co-partnership for New Housing Operation Act (Act 47 of 1987), Puerto Rico Green Energy Incentives Act (Act 83-2010) or any other previous or subsequent act of similar nature.

Line 2 – Indicate if the corporation of individuals chose not to apply the exemption for this year

Indicate if the corporation of individuals chose not to apply the exemption for the taxable year.

Line 3 – Indicate if the corporation of individuals is a shareholder of other entity with an exemption decree currently in force

Indicate if the corporation of individuals is a shareholder of other entity with an exemption decree currently in force.

Enter the name and employer identification number of said entity. If it is more than one, submit detail.

PART II – DISTRIBUTABLE SHARE PER CATEGORY

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

Enter the gain or loss derived from the sale or exchange of capital assets held by the corporation of individuals for more than six months.

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

Enter the gain or loss derived from the sale or exchange of capital assets held by the corporation of individuals for six months or less.

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

Enter the gain or loss derived from the sale or exchange of substantially all assets dedicated to an activity under Act 78-1993.

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

Enter the gain or loss derived from the sale or exchange of property used in the business other than capital assets.

Line 5 - Net income (or loss) from the corporation of individuals' trade or business

Enter the net income or loss from the operations of the eligible activities. Do not include the gains or losses from lines 1, 2, 3, 4, 6, 7, 8, 9 and 10 of this Part II.

The amount reflected on this line is used when the taxpayer elects to treat certain items as ordinary income (Section 1115.04(c) of the Puerto Rico Internal Revenue Code of 2011, as amended (Code)) and by nonresident alien stockholders.

Enter on line 5(a) the share of the income included on line 5 attributable to services rendered by the stockholders not reported as salaries on Form 499R-2/W-2PR or as compensation for services rendered on Form 480.6A or 480.6B.

Enter on line 5(b) the result of the amount on line 5 less the amount on line 5(a).

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

Enter on this line the sum of the net operating income or loss covered under an exemption decree. Add line 3, Part I of all Schedules L (P, SP, CI, ESC) included in the return.

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

Enter on this line the sum of all net operating income or losses covered under an exemption decree subject to a fixed tax rate, excluding dividends, long-term capital gains and interest income on deposits in financial institutions.

Line 8 - Eligible distribution of dividends from corporations

The stockholders may claim in their returns the dividends received by the corporation of individuals from eligible dividend distributions, as defined in Section 1023.06 of the Code, according to their distributable share, along with the portion of the 10% tax withheld. Otherwise, at the election of the stockholder, said income will be included in the corporation of individuals income to determine its net income or loss, as provided in Section 1115.04(c) of the Code.

Line 9 - Interest income from deposits in financial institutions

Enter the income earned from interest on investments or deposits in cooperatives, savings associations authorized by the Federal Government or by the Puerto Rico Government, commercial and mutual banks or in banking organizations established in Puerto Rico, as well as the 10% amount withheld, if the election was made.

Line 10 - Distributable share on income, gain or loss from a partnership or special partnership owned by the corporation of individuals

The corporation of individuals can be a partner in a partnership or special partnership. Enter on this line the distributable share on income or loss of the partnership or special partnership attributable to the corporation of individuals.

Line 12 - Exempt income (Schedule IE)

Enter the total sum of exempt income from Schedule IE. You must include with the return Schedule IE duly completed.

Line 13 - Exempt income subject to alternate basic tax (Schedule IE)

Enter the total sum of exempt income from Schedule IE, Column B. You must include with the return Schedule IE duly completed.

Line 14 - Adjustment for purposes of the alternate basic tax

Enter here any adjustment to the income from the corporation of individuals that, at the corporation of individuals' individual stockholder level, are considered income subject to alternate basic tax, such as non deductible expenses for purposes of the alternate basic tax at the individual stockholder level.

Line 15 - Business volume

Enter here the corporation of individuals' total volume of business for purposes of financial statements requirement.

As provided by Section 1061.15 of the Code, the term "volume of business" means gross income, as defined in Section 1031.01, except that in the case of profits or income described in Section 1031.01(a)(2)(A), you may consider the total derived from the sale of goods and products without reducing the cost of such goods or products sold.

PART III - CREDITS

Line 1 - Credit for investment in a Capital Investment Fund, other funds or direct investments

In order to claim this credit you must complete Schedule Q, available in the Department of the Treasury.

Line 2 - Credit attributable to losses in a Capital Investment Fund or other funds

See instructions of Schedule Q related with the allowable credit for losses in investment funds, available in the Department of the Treasury.

Line 3 - Credit for tax withheld at source from Industrial Development dividends

The stockholders of a corporation of individuals will be entitled to claim, according to the percentage applicable to the distributable share of the corporation of individuals, a credit as established in Section 4(a) of the Incentives Act, against the tax due for the year in which the corporation of individuals received as an investor a distribution from industrial development income.

Enter on this line the tax withheld at source to the corporation of individuals on dividends from industrial development income.

Line 4 - Credit for the purchase of tax credits

The stockholders of a corporation of individuals will be entitled to claim their distributable share on tax credits acquired by the corporation of individuals through the purchase, exchange or transfer from investors that generated the credits under any of the acts that allow tax credits. The corporation of individuals, as the buyer of the credits, and its stockholders, are subject to the limitations imposed to the investor from whom the credits were acquired with respect to the taxable years on which those credits can be considered, and the maximum amount of the credits to be claimed on each taxable year.

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

Line 5 - Credit for the payment of additional duties on luxury vehicles under Act 42-2005

The amount of the credit to be claimed will be equal to the amount of the duty paid for the government label (*marbete*) for the luxury vehicle plus 5% annual interest on that amount from March 16, 2007 to December 31, 2011, minus 33% for attorney's fees. The credit shall be claimed in two installments: 50% on the 2011 return and the remaining 50% on the 2012 return.

Enter on this line the amount notified by the Department of the Treasury for taxable year 2011.

Line 6 - Employee retention credit

Enter the credit determined on Schedule B3 Corporation. This new schedule is provided to determine the amount of Employee Retention Credit under the HIRE Act and detail the information of the eligible employees who qualify for its calculation. This applies in the case of the trade or businesses or to claim the credit that comes from a corporation of individuals.

Line 7 - Other credits not included on the preceding lines

Enter the total amount of other credits not included on the preceding lines. 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 evidences to support such credits.

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

Enter in this part the net income from sources outside of Puerto Rico and the taxes paid outside of Puerto Rico on said net income. Use Schedule C Corporation, Part I, to determine the net income derived by the corporation of individuals for each country, territory or possession indicated, and include in Part II of said Schedule the taxes paid or accrued to each one of these jurisdictions. Do not complete Part III of Schedule C Corporation. Submit Schedule C Corporation with the Corporation of Individuals Informative Income Tax Return, Form 480.20(I).

Line 1 – Net income from sources outside of Puerto Rico

Enter in the first box the total amount of net income from sources outside of Puerto Rico derived by the corporation of individuals, as determined in Part I of Schedule C Corporation.

Enter in the second box the total amount of income tax paid or accrued to the United States, its possessions or foreign countries as reported in Part II of Schedule C Corporation.

PART V – TAX COMPUTATION ON BUILT-IN GAINS

The tax on built-in gains applies to every corporation of individuals that previously was subject to tax as a regular corporation. The tax is imposed when the sale or disposition of the assets acquired through the conversion, is realized within the period of 10 years from the first day of the first taxable year of the corporation of individuals.

The increase of the value accumulated during the period after the conversion, which the corporation of individuals realizes as gain when disposing the asset, is not subject to this tax.

The built-in gain is taxable at the maximum applicable tax rate (30% to corporations). See Section 1115.08 of the Code.

Line 1 – Tax liability (Schedule GI)

Enter the tax on built-in gain determined for the year, as computed on Schedule GI, Part IV, line 14.

Line 2 – Amount Paid

Enter the amount paid for purposes of the built-in gain.

PART VI - GROSS PROFIT ON SALES, MANUFACTURE OR OTHER INCOME

Enter the manufacturing and sales costs, as well as the gross profit from sales. Check the applicable box to indicate your inventory appraisal method at the beginning and end of the year.

Itemize in Part VIII of the return the other direct costs shown on line 5. Note that the flexible depreciation of assets used in manufacture will be included as Other Direct Costs in Part VIII, line 10. The flexible depreciation of assets, other than manufacturing, must be entered in Part VII, line 35.

Enter on line 12 the income from services rendered or commissions earned.

Enter on line 13 the gains or losses from the distributable share of the corporation of individuals in special partnerships.

PART VII - DEDUCTIONS AND NET OPERATING INCOME

The income and expenses to be included in Parts VI, VII and VIII of Page 2 of the return are related with the activities of the corporation of individuals **not** covered under acts that provide for partially exempt income. The detail of partially exempt income will be detailed on Schedule L (P, SP, CI, ESC).

Enter the deductions related to your operations on lines 16 through 40. Following we provide information regarding some of those deductions.

Line 16 - Compensation to stockholders or officers

Enter the total compensation paid or accrued to all stockholders of the corporation of individuals reported as salaries on Form 499R-2/W-2PR or as compensation for services rendered on Form 480.6A or 480.6B. Payments for services rendered or as interest from the use of capital, will be considered as paid to one that is not a stockholder of the corporation of individuals, as long as said interest are determined without considering the corporation of individuals income. On the other hand, the stockholder must include said payments as taxable income according to the accounting method used to recognize income. Detail the corresponding information in Part IX, Page 3 of the return.

Line 25 – Rent

Enter the cost for the leasing of structures and equipment, excluding automobile leases. Expenses related to automobile leases must be included on line 35.

Line 27 - Other taxes, patents and licenses

Submit a schedule of the excise taxes or licenses paid by the corporation of individuals.

Line 29 - Motor vehicle expenses

You may claim a deduction on this line, based on a standard mileage rate, for the expenses related to the use and maintenance of an automobile which are incurred to carry on a trade or business or for the production of income of the corporation of individuals. Include on the mileage line the total miles used in the trade or business or for the production of income and multiply it by sixty cents (\$ 0.60).

The expenses of automobile use and maintenance includes repairs, insurance, gasoline, oil and filter changes, cleaning, tires, annual license fees and other expenses of a similar nature. This expense does not include depreciation, rental payments on ordinary leases or financial leases, which are claimed on line 35 (or on line 10 of Part VIII, as applicable) submitting Schedule E. Also, do not include expenses related to the use of tolls or parking.

For these purposes, the term "automobile" does not include the following:

- those used directly in the business of transporting passengers or property for which compensation or payment is made, such as limousines, taxis and public vehicles;
- funeral cars, flower carriages, buses, ambulances, motorcycles, trucks, vans and any other similar vehicle used primarily for transport of cargo; and
- cars rented or held for rental by persons regularly engaged in the business of car leasing.

If you incurred expenses for vehicles which are not considered automobiles according to the above definition, you should claim them on line 30 and submit the details.

For taxable years beginning after December 31, 2010 and before January 1, 2012, it will be allowed to claim on this line the actual expenses incurred for the use and maintenance of automobiles in those cases where the mileage information is not available.

Line 31 - Meal and entertainment expenses

You may deduct 50% of the expenses actually paid or incurred, up to 25% of the gross income of the taxable year, for meal and entertainment expenses directly related with the industry or for the production of income.

You cannot include as part of such expenses the items that do not constitute ordinary and necessary expenses of your trade or business.

No deduction shall be allowed for meal and entertainment expenses considered extravagant or sumptuous.

Line 34 - Contributions to pensions and other qualified plans

Enter the contributed amount to pension, profit sharing or other qualified plans approved by the Secretary of the Treasury. This deduction is subject to certain limitations.

To claim this deduction for your contributions to any of those plans, you must keep in your records certain information required by regulations.

These plans are subject to a periodic investigation to determine if they are in compliance with the applicable dispositions of the Code. If the dispositions are not met, the Secretary can cancel the plan and reject the deduction. Remember to include Schedule F with the return.

Line 35 – Depreciation and amortization

Submit a detail of the current depreciation and amortization in Part (a) and Part (d) of Schedule E - Depreciation.

In the case of automobiles, the depreciation or lease expense (including operating leases) is limited to the smaller of the amount paid or \$6,000 annually for a maximum of 5 years. In the case of automobiles used by sellers, the deductible amount cannot exceed \$10,000 annually for a maximum period of 3 years.

This deduction will be allowed only for that part used in the trade or business, or for the production of income.

The \$30,000 basis limitation and useful life term do not apply to those automobiles acquired by a corporation of individuals engaged in the leasing, transportation of passengers or freight businesses.

Also, the Code provides a deduction for goodwill amortization, as long as the goodwill is purchased from third parties during taxable years beginning after June 30, 1995. The deduction will be determined using the straight-line method and a useful life of 15 years.

Line 36 - Bad debts

The corporation of individuals may claim a deduction for the debts that become uncollectable within the taxable year (direct write-off method). The reserve method to compute the deduction for bad debts used under the Generally Accepted Accounting Principles (GAAP) is not allowed to claim the bad debts expense.

Line 37 - Charitable contributions

You may deduct, subject to certain limitations, the charitable contributions paid during the taxable year to a nonprofit religious, charitable, scientific, literary, educational or museological organizations, or to organizations for the prevention of cruelty or abuse of children, the elderly or disabled, or to animals, organizations for the prevention of domestic violence or hate crimes, or to organizations of war veterans in the United States or Puerto Rico. However, no part of the net earnings of any organization to which you contribute may benefit any private shareholder or individual.

You may also claim a deduction for contributions paid to:

- the Commonwealth of Puerto Rico, the United States Government, or any of its states, territories or possessions, or any political subdivision thereof, or the District of Columbia, when the contributions or donations are used exclusively for public purposes;
- university level accredited educational institutions established in Puerto Rico;
- the José Jaime Pierluisi Foundation;
- the Fund for the Financing of Cultural Affairs of Puerto Rico;
- the Puerto Rico Communitarian Foundation;
- the Corporation of the Symphonic Orchestra of Puerto Rico;
- the Fund for Services Against Remediable Catastrophic Illnesses.

The Secretary will publish a list of non for profit entities qualified to receive the contributions.

The allowable deduction is the total amount of the charitable contributions paid, not to exceed 10% of the net income determined without the benefit of said deduction.

The contributions made to a municipality that conducts an activity or event of cultural or historic value, as certified by the Institute of Puerto Rican Culture or the Cultural Center of each municipality, or that makes possible the realization of any cultural or historic work, may be claimed as charitable contributions. The contributed amount shall be \$50,000 or more, and must be made in connection with the celebration of the centennial foundation of the municipality. The total of said contributions is not subject to the limitations provided by the Code.

Line 38 - Organization and syndication

This organization and syndication expenses will be treated as differed expenses and admitted as a deduction, pro rata, on a period not shorter than 60 months, beginning in the month the corporation of individuals started operations.

Line 39 - Deduction for employers who employ handicapped persons

Enter \$400 for each severely handicapped person employed for at least 20 hours per week during nine months of the taxable year. The deduction is allowed for a maximum of 5 persons severely handicapped. In force regulations of the Vocational Rehabilitation Program of the Department of the Family will be used to determine the severely handicapped condition.

The employer that claims this deduction must submit with the return the following:

1. a certification indicating that the handicapped person has been employed at least during 9 months of the taxable year for which the deduction is claimed, and
2. a certification issued by the Secretary of the Department of the Family stating that, in accordance to its rules and procedures, the person for whom the deduction is claimed is a severely handicapped person.

Line 40 - Other deductions

Those expense items for which Part VII does not provide specific lines, will be totaled and entered as Other Deductions. **Submit with the return a schedule itemizing those deductions.**

No deductions will be allowed for expenses connected with the ownership, use and maintenance of vessels, except for the expenses of vessels engaged in commercial fishing, transportation or commercial tourism if the corporation of individuals derived 80% or more of its total income from said activities.

A deduction will neither be allowed for expenses related to the ownership, use and maintenance of aircrafts, unless the corporation of individuals has derived 80% or more of its total income from activities exclusively related to the transportation of passengers or leasing.

In the same way, no deduction will be allowed for expenses related to the ownership, use, maintenance and depreciation of residential property (located within or outside of Puerto Rico), unless the corporation of individuals has derived 80% or more of its total income from activities exclusively related to the rental of property to non related persons.

PART VIII - OTHER DIRECT COSTS

Enter the Other Direct Costs. The total of these costs should be entered on line 12 of this part and will be equal to the amount in Part VI, line 5 of the return.

PART IX - COMPENSATION TO STOCKHOLDERS OR OFFICERS

Include the compensation that the stockholders of the corporation of individuals received as salaries and other compensations. Do not include the distributions made to the stockholders during the year.

Enter the total compensation to stockholders or officers in Part VII, line 16.

PART X AND XI - COMPARATIVE BALANCE SHEET AND RECONCILIATION OF NET INCOME (OR LOSS) PER BOOKS WITH NET TAXABLE INCOME (OR LOSS) PER RETURN

These statements must be completed in all of its parts in order for the return to be considered filed. Therefore, you cannot submit these statements in loose sheets. **Any return that does not comply with these requirements will be returned.**

If the volume of business of the corporation of individuals exceeds \$3,000,000, Financial Statements Certified by a Certified Public Accountant (CPA) licensed in Puerto Rico must be submitted.

If the volume of business of the corporation of individuals exceeds \$1,000,000 but does not exceed \$3,000,000, the corporation of individuals may choose to submit Financial Statements Certified by a Certified Public Accountant licensed in Puerto Rico. By doing so, and if the corporation of individuals is up to date with its tax responsibility, it shall be entitled to a withholding waiver of the 7% on payments for services rendered.

PART XII - ANALYSIS OF UNDISTRIBUTED PROFITS PER BOOKS

Enter the profits not distributed to the stockholders at the closing of the taxable year of the corporation of individuals.

PART XIII - COMPUTATION OF GROSS INCOME PERCENTAGE DERIVED FROM THE TRADE OR BUSINESS ACTIVITIES

Determine the percentage of the gross income earned by the corporation of individuals from:

- A. Income from the conduct of a trade or business exclusively in Puerto Rico
- B. Income from non related activities (including income from sources outside of Puerto Rico)

PART XIV - QUESTIONNAIRE

Enter all the information required in the questionnaire in order to process the return.

SIGNATURE AND OATH OF THE RETURN

The return must be signed and sworn by the principal officer of the corporation of individuals for which this Corporation of Individuals Informative Income Tax Return is prepared.

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, the return is correct and complete.

If the return is prepared by an accounting firm duly registered as a specialist, it must include the employer identification number, the registration number and be signed by the authorized person.

Indicate if you paid for the preparation of the return and make sure that the specialist signs the return and includes his/her registration and employer identification number. THE CODE PROVIDES CIVIL AND CRIMINAL SANCTIONS TO THOSE SPECIALISTS WHO FAIL TO SUBMIT THIS INFORMATION OR WHO DO NOT MEET ANY OTHER STATUTORY REQUIREMENTS.

INSTRUCTIONS TO COMPLETE THE SCHEDULES

SCHEDULE GI (P, SP, CI) - TAX DETERMINATION ON BUILT-IN GAINS

This schedule must be used when the requirements indicated in the instructions for Part V of the return are met.

SCHEDULE IE – EXCLUDED AND EXEMPT INCOME

Complete this Schedule to report the excluded and exempt income received during the taxable year.

Enter the total of the first column on line 12 of Part II, Page 1 of the Corporation of Individuals Informative Income Tax Return to inform the exempt income.

Enter the total of the second column on line 13 of Part II, Page 1 of the Corporation of Individuals Informative Income Tax Return, to inform the exempt income subject to the alternate basic tax.

SCHEDULE L (P, SP, CI, ESC) – PARTIALLY EXEMPT INCOME

This schedule must be used by those corporation of individuals operating under Act 52 of 1983, Act 47 of 1987, Act 78-1993, Act 225-1995 and Act 74-2010. Check the box corresponding to the act under which the entity operates.

For each applicable act, a Schedule L (P, SP, CI, ESC) must be completed and included with the return.

In the case of a corporation of individuals operating under Act 52 of 1983 or Act 78-1993, and has made an election under Article 5(b) or 3(a)(1)(D) respectively, must submit with the return a copy of the notification addressed to the Secretary of the Treasury exercising the election.

Any exempt business under Act 78-1993 or Act 74-2010, must include with the return a copy of the order issued by the Tourism Company Director indicating the beginning date of the exemption.

Businesses operating under Act 225-1995, must include with the return a copy of the bona fide farmer certificate in force.

PART I - NET INCOME (OR LOSS)

Line 2 - Enter in the space provided the percentage of the exemption you are entitled to claim according to your Resolution under the Tourism Incentives or Tourism Development Act or Agriculture Incentives Act.

Multiply the net operating income from the touristic or agricultural eligible activities, whichever applies, by the applicable exemption percentage. Enter the amount on this line.

Line 3 - The net operating losses under the tourism incentives or tourism development acts may be deductible only against income from touristic activities. The net losses from operations that are not covered under any of the previously mentioned incentives acts, can be claimed only against the totally taxable income. **A schedule must be included with the return to sustain the deduction claimed.**

The excess of losses from touristic activities from previous years may be carried forward and claimed only as a deduction against income from touristic activities by the stockholders of the corporation of individuals. Said loss may be deductible up to an amount equal to the percentage of income from the touristic activity that would have been taxable. The losses will be carried forward in the same order that they are incurred.

A net income or loss generated by a corporation of individuals in a year in which an election for a flexible exemption under Article 3(a)(1)(D) of Act 78-1993 is in force, will be considered as a net income or loss from the corporation of individuals' eligible activity.

Add line 3, Part I of each Schedule L (P, SP, CI, ESC) used and enter the total in Part II, line 6 of the return.