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Electronic Filing Confirmation Number



**INFORMATIVE RETURN
EMPLOYEES OWNED SPECIAL CORPORATION**

**Distributable Share of Income, Losses and Credits to
Ordinary and Extraordinary Members**

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

Control Number

Control Number of Original Informative Return

AMENDED (Day __ Month __ Year __)

Ordinary and Extraordinary Member Name

Ordinary and Extraordinary Member Social Security Number

Address

Entity's Name

Type of Industry

Employer Identification Number

Address

Part I ORDINARY AND EXTRAORDINARY MEMBER INFORMATION

- A.** 1. Ordinary Member
 2. Extraordinary Member
 3. Employees Owned Special Corporation
B. Share percentage on:
 1. Losses (%)
 2. Gains (%)

- C.** a) Exempt Interests _____
 b) Notices of credits to the collective reserve account and the social fund _____
 c) Others _____

- D. Indicate if the entity was granted an exemption under the following acts:**
 1. Act No. 52 of 1983
 2. Act No. 47 of 1987
 3. Act 78-1993
 4. Act 225-1995
 5. Other _____

Part II ANALYSIS OF THE INTERNAL CAPITAL ACCOUNT

(a) Capital contributions made during the year and others

(b) Member's distributable share on the gain or loss

(c) Distributions and others

Part III DISTRIBUTABLE SHARE PER CATEGORY

	Amount
1. Net long-term capital gain (or loss) on sale or exchange of capital assets (Schedule D Corporation) (1)	00
2. Net short-term capital 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 business (Schedule D Corporation) (4)	00
5. Net operating income (or loss) of the corporation (See instructions) (5)	00
6. Net income (or loss) from partially exempt income (See instructions) (6)	00
7. Eligible distribution of dividends from corporations or profits from partnerships (See instructions) (7)	00
8. Charitable contributions (See instructions) (8)	00
9. Others (Submit detail) (9)	00

Part IV CREDITS

1. Credit for taxes paid to foreign countries, the United States, its states, territories and possessions (1)	00
2. Credit for investment in the Capital Investment Fund, Tourism, other funds or direct investment (2)	00
3. Credit attributable to losses in the Capital Investment Fund or other funds (3)	00
4. Credit for tax withheld at source from Industrial Development dividends (Act No. 8 of 1987) (4)	00
5. Other credits not included on the preceding lines (See instructions) (5)	00
6. Credit for the purchase of tax credits (See instructions) (6)	00
7. Total tax credits (Add lines 1 through 6) (7)	00

Part V WITHHOLDINGS

1. Tax withheld at source on eligible distributions of profits or dividends (1)	00
2. Tax withheld at source (Form 480.6B or 480.6C) (2)	00
3. Total (Add lines 1 and 2) (3)	00



Rev. 03.20

Government of Puerto Rico
Department of the Treasury

**INFORMATIVE RETURN
EMPLOYEES OWNED SPECIAL CORPORATION**

**DISTRIBUTABLE SHARE OF INCOME, LOSSES AND CREDITS TO ORDINARY AND
EXTRAORDINARY MEMBERS
FORM 480.60 CPT**

INSTRUCTIONS

A. GENERAL INSTRUCTIONS

**WHO MUST FILE THE INFORMATIVE RETURN -
EMPLOYEES OWNED SPECIAL CORPORATION**

Every employees owned special corporation that is required to file an Employees Owned Special Corporation Informative Tax Return must provide to each member a report containing the information required to be included on the member's income tax return.

The information must be provided in Form 480.60 CPT (Informative Return - Employees Owned Special Corporation - Distributable Share of Income, Losses and Credits to Ordinary and Extraordinary Members).

HOW TO FILE FORM 480.60 CPT?

For taxable year 2019 and subsequent years, Form 480.60 CPT must be **filed electronically**, through the *Pass-Through Entity* account, by means of the free of charge Internal Revenue Integrated System ("SURI", for its Spanish acronym) available through the following link: <https://suri.hacienda.pr.gov> or on our webpage: www.hacienda.pr.gov.

Any new special corporation will need to complete its registration with SURI, as a New Taxpayer under the option *My Business Account*, in order to view their tax accounts and complete any transactions on those accounts. Each account must have a designated Principal Administrator, who may complete any type of transaction and grant access to the tax accounts.

Existing special corporations, previously registered in SURI, will not need to complete a new registry. However, if the entity has not assigned a Primary Administrator in the account, it should be registered as an existing user to obtain a user and password as Primary Administrator.

Access to the *Pass-Through Entity* account, from which this informative return should be filed, will be granted by using the *Register Accounts* link in the *I Want To* selection in SURI account. For additional information related to the registration in SURI and the process to create the *Pass-Through Entity* account, refer to the Internal Revenue Circular Letter No. 20-12 of February 21, 2020.

WHEN TO PROVIDE THE DECLARATION TO MEMBERS?

The employees owned special corporation has until the last day of the third month following the close of the tax year to provide the informative return filed electronically to the members. The informative returns may be provided to their members by electronic means, subject to the provisions of the Internal Revenue Circular Letter No. 16-11.

Copy of the informative return must be sent to the Department of the Treasury together with the Employees Owned Special Corporation Informative Return (Form 480.20(CPT)) on the date of its filing.

REQUEST FOR EXTENSION OF TIME TO PROVIDE THE REPORT TO MEMBERS

Any special corporation that has requested an automatic extension of time to file the special corporation's informative return, will automatically be granted a 6 month extension to file and deliver the member's reports (Forms 480.60 CPT). As such, the entity does not have to request a different extension for the filing and delivery of such reports.

The period of 6 months will be considered from the due date to file the return.

HOW MUST THE MEMBERS REPORT THESE ITEMS ON THEIR INCOME TAX RETURNS?

The member must include each one of the items indicated in his income tax return as if such items were realized directly by him, since the Code provides that the nature, source and character of the income, gains, losses or credits items included in the member's distributable share will be determined as if such items were realized by the member directly out of the source from which the corporation realized them, or incurred in the same way that they were incurred by the employees owned special corporation. Likewise, the member's distributable share on income from sources outside of Puerto Rico earned by the corporation will retain the character of the income from sources outside of Puerto Rico in the hands of the member.

B. SPECIFIC INSTRUCTIONS

Enter the information required in each space. The employees owned special corporation is required to

provide this informative return to each member completed in all parts, so the member can complete the income tax return to be filed with the Department of the Treasury.

Enter the name and address of the member and corporation, as well as the social security number or employer identification number and type of industry.

PART I - ORDINARY AND EXTRAORDINARY MEMBER INFORMATION

Indicate on lines A through C, the information applicable to the description of the member.

Line C - Indicate the amount received as tax exempt interests according to the classification of said interest.

PART II - ANALYSIS OF THE INTERNAL CAPITAL ACCOUNT

Column (a) - Enter any capital contributed during the year or other increments.

Column (b) - Enter member's distributable share on the gains or losses from the employees owned special corporation.

Column (c) - Enter the amount attributed to distributions or other distributions.

Each ordinary and extraordinary member must take into consideration separately his distributable share in the income, profits or losses of the employees owned special corporation, as well as the distributable proportion of the productivity and sponsorship credits notices.

PART III - DISTRIBUTABLE SHARE PER CATEGORY

Enter in each one of the spaces provided the amount derived by 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 on this line the distributable share gain or loss derived from the sale or exchange of capital assets held by the employees owned special corporation for more than one (1) year.

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

Enter on this line the distributable share gain or loss derived from the sale or exchange of capital assets

held by the employees owned special corporation for one (1) year or less.

Line 5 - Net operating income (or loss) of the corporation

Include the net operating income (or loss) from eligible activities. Do not include in this item the gains or losses identified on other lines of this Part.

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

Enter on this line the net income or loss of operations under Act 52 of 1983, Act 78-1993, Act 225-1995 or any other act under which the corporation operates.

Line 7 - Eligible distribution of dividends from corporations or profits from partnerships

The members may claim on their returns the dividends received by the employees owned special corporation applicable to their proportion of the tax withheld at 15%.

Otherwise, at the election of the member, said income will be included in the net income of the employees owned special corporation to determine the income or loss, as provided in the Section 1113.04(b) of the Puerto Rico Internal Revenue Code of 2011, as amended ("Code").

Line 8 - Charitable contributions

Enter the income derived from the value of goods acquired by charitable contributions.

PART IV - CREDITS

On March 7, 2017, the Financial Advisory Authority and Fiscal Agency of Puerto Rico ("AAFAF", for its Spanish acronym) issued Administrative Order No. OA-2017-01 ("OA-2017-01") by which it created the Disbursements and Tax Concessions Authorization Committee ("CADCC", for its Spanish acronym) to which it granted certain authorizations regarding the evaluation and granting of tax credits and delegated the responsibility of establishing limitations regarding the use and availability of the tax credits granted. Also, OA-2017-01 ordered the Secretary of Treasury ("Secretary") to carry out an inventory of the tax credits granted and to require the holders of tax credits to report the amount granted of said credits, in the manner that the Secretary establishes for said purposes. The administrative order also establishes that, any credit holder that does not show evidence issued by the Secretary of compliance with the information requirement, will not be able to claim said tax credits.

For such purposes, on April 20, 2017, the Department of the Treasury issued the Internal Revenue Informative Bulletin No. 17- 08 to notify that the requirement to carry out the inventory of tax credits would be met by electronically filing Form 480.71.1 (Informative Return for Tax Credits Holders) and established that the requirement imposed by AAFAF to submit evidence of compliance with the information requirement in order to claim the tax credits, would be met by electronically filing Form 480.71.1. Therefore, in order to claim a tax credit that has been granted and available as of April 19, 2017, it must be included in Form 480.71.1 that the credit holder submitted to the Department.

For its part, on July 2, 2018, AAFAF, through Administrative Order No. OA-2018-10 (“OA-2018-10”), repealed the OA-2017-01 and left the CADCC without effect prospectively. For such purposes, Section 1051.15(b)(1) of the Code provides that for taxable years commenced after December 31, 2017, the tax credits will not be subject to the limitations set forth in the resolutions issued by the CADCC during its existence, therefore, they will be subject only to the rules of use established in the special law under which the tax credit is 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 use limitation provided in Section 1051.13 of the Code.

However, OA-2018-10 establishes that the Secretary will continue to perform and maintain the inventory of all tax credits and maintains the requirement of the OA-2017-01 that the credit holder must show evidence issued by the Secretary of the compliance with the information requirement to be able to claim a tax credit.

Every employees owned special corporation that reports the distributable share of a tax credit to its members, must attach with the Informative Return copy of Form 480.71 properly filed at the Department.

Line 1 - Credit for taxes paid to foreign countries, the United States, its states, territories and possessions

Use Schedule C Corporation to determine the credit per deductible proportion of the taxes paid to foreign countries and the United States, its states, territories and possessions.

Line 2 - Credit for investment in the Capital Investment Fund, Tourism, other funds or direct investment

To claim this credit, you must complete Schedule Q, available in the Department of the Treasury webpage.

See instructions of Schedule Q related to the granting of credits for investment in Capital Investment Fund, Tourism and other funds or direct investment.

Line 3 - Credit attributable to losses in the Capital Investment Fund or other funds

See instructions of Schedule Q related to the granting of credits for losses in investment fund.

Line 4 - Credit for tax withheld at source from Industrial Development dividends (Act No. 8 of 1987)

The members of an employees owned special corporation are entitled to claim, according to the percentage applicable to their distributable share in the special corporation, a credit pursuant to Section 4(a) of the Incentives Act, against their tax due for the year in which the special corporation received, as an investor, a distribution from Industrial Development Income.

Enter on this line the tax withheld at source to the special corporation on dividends from Industrial Development Income.

Line 5 - Other credits not included on the preceding lines

Enter on this line the member’s distributable share in the total amount of other credits not included on the preceding lines. If different concepts of credits are included on this line, a schedule showing a breakdown of such credits must be kept for your records. Copy of the schedule must be included with the Informative Return that the special corporation provides to the member.

Line 6 - Credit for the purchase of tax credits

Enter the member’s distributable share in the tax credit acquired by the special corporation during the year through the purchase, exchange or transfer from the primary investor.