



INFORMATIVE RETURN - PASS-THROUGH ENTITY

1 PARTNERSHIP 2 SPECIAL PARTNERSHIP 3 CORPORATION OF INDIVIDUALS

Partner's or Stockholder's Distributable Share on Income, Losses and Credits

Taxable year beginning on .20 and ending on .20

Control Number

Control No. of Original Informative Return

Select the form with respect to which this Informative Return is prepared: 1 480.20(EC) 2 480.10(SC) 3 480.20(U)

Name of Partner, Stockholder or Member Social Security or Employer Identification No. of Partner, Stockholder or Member AMENDED (Day Month Year)

Address

Entity's Name Entity's Employer Identification No. Type of Industry

Address

Part I INFORMATION OF THE PARTNER, STOCKHOLDER OR MEMBER

A. 1. Managing Partner 2. Limited Partner 3. Unlimited Partner B. TYPE: 1. Individual 2. Trust 3. Estate 4. Partnership 5. Special Partnership 6. Corporation C. STATUS: 1. Resident 2. Nonresident D. Share percentage on: 1. Losses 2. Gains E. Portion of current debts from the Entity assumed by the partners or stockholders. 1. Secured: 2. Unsecured: F. Debts attributable to partners of the Partnership or Special Partnership under Act 78-1993 and Act No. 52 of 1983. Secured: G. 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. Act 73-2008 6. Act 362-1999 7. Act 74-2010 8. Act 83-2010 9. Act 132-2010 10. Act 27-2011 11. Act 20-2012 12. Act 135-1997 13. Other H. Entity's merchant registration number: I. Subject to Act 154-2010 (Applies only to partnerships) Yes No J. Mark if an Investor Special Partnership Yes No

FOR THE USE OF THE PARTNER, STOCKHOLDER OR MEMBER

CHECK HERE Election for the application of Section 1114.06(b) or 1115.04(c) of the Puerto Rico Internal Revenue Code of 2011, as amended. (Option to treat certain items as ordinary income (or loss)). \$ (See instructions)

Part II ANALYSIS OF CAPITAL ACCOUNT OF THE PARTNER, STOCKHOLDER OR MEMBER

Table with 6 columns: (a) Capital contributions made during the year, (b) Other increases to basis (Submit detail), (c) Partner's or stockholder's distributable share on the gain or loss of the Entity, (d) Partner's or stockholder's debts assumed and secured by the Entity, (e) Withdrawals and distributions, (f) Other decreases to basis

Part III DISTRIBUTABLE SHARE PER CATEGORY

Table with 3 columns: Category, Amount, Tax Withheld. Rows include: 1. Net long-term gain (or loss) on sale or exchange of capital assets, 2. Net short-term gain (or loss) on sale or exchange of capital assets, 3. Net gain (or loss) on sale or exchange of substantially all assets dedicated to an activity under Act 78-1993, 4. Net gain (or loss) on sale or exchange of property used in the business, 5. Net income (or loss) from the entity's trade or business, 6. Net income (or loss) from partially exempt income, 7. Net income (or loss) from income subject to a preferential rate, 8. Eligible distribution of dividends from corporations, 9. Distributions of dividends subject to % withholding, 10. Interest income from deposits in financial institutions subject to withholding, 11. Interest income from deposits in financial institutions not subject to withholding, 12. Other interests subject to withholding at the 10% rate, 13. Other interests subject to % withholding, 14. Distributable share on gain from a partnership or special partnership owned by the entity, 15. Distributable share on loss from a partnership or special partnership owned by the entity, 16. Others, 17. Exempt income (Schedule IE Pass-Through Entity), 18. Exempt income subject to alternate basic tax (Schedule IE Pass-Through Entity), 19. Adjustment for purposes of the alternate basic tax, 20. Adjustment for purposes of the alternative minimum tax, 21. Charitable contributions (Applies only to partnerships), 22. Volume of business

Part IV NONRESIDENT ALIENS PARTNERS OR STOCKHOLDERS

Table with 3 columns: Description, Amount, Tax Withheld. Row 1: Distributable share on net income from the special partnership or corporation of individuals (1) 00 00

Part V CREDITS

Table with 3 columns: Description, Amount, Tax Withheld. Section A: CREDITS SUBJECT TO MORATORIUM (lines 1-7). Section B: CREDITS NOT SUBJECT TO MORATORIUM (lines 8-18)

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

Table with 5 columns: Foreign Country, Territory or Possession of the United States (A, B, C), United States, Total. Rows: 1. Net income from sources within the country, territory or possession (1); 2. Tax paid during the year (2)

Part VII BREAKDOWN OF THE PURCHASE OF TAX CREDITS

Table with 3 columns: Description, Amount, Tax Withheld. Section A: CREDITS SUBJECT TO MORATORIUM (lines 1-9). Section B: CREDITS NOT SUBJECT TO MORATORIUM (lines 10-18)

Part VIII DISTRIBUTABLE SHARE ON THE NET INCOME SUBJECT TO PREFERENTIAL RATES

Table with 3 columns: Tax Responsibility, Net Income, Tax Withheld. Rows: 1-7. Schedule V Pass-Through Entity (Taxed at ___%), Schedule W Pass-Through Entity (Taxed at ___%), Schedule X Pass-Through Entity (Taxed at ___%), Schedule Y Pass-Through Entity (Taxed at ___%), Schedule Z Pass-Through Entity (Taxed at ___%), Schedule AA Pass-Through Entity (Taxed at ___%), Total (Add lines 1 through 6. Transfer to Part III, line 7)



Rev. 02.18

Government of Puerto Rico
Department of the Treasury

INFORMATIVE RETURN – PASS-THROUGH ENTITY

PARTNER'S OR STOCKHOLDER'S DISTRIBUTABLE SHARE ON INCOME, LOSSES AND CREDITS

FORM 480.60 EC

INSTRUCTIONS

GENERAL INSTRUCTIONS

WHO MUST FILE THE INFORMATIVE RETURN – PASS-THROUGH ENTITY

Every partnership, special partnership, corporation of individuals, or limited liability company (hereinafter "entity") that is required to file a Pass-Through Entity Income Informative Return must provide to each partner, stockholder or member (hereinafter "owner") a report containing the information required to be included on the owner's income tax return. The information must be provided in Form 480.60 EC (Informative Return - Pass-Through Entity – Partner's or Stockholder's Distributable Share on Income, Losses and Credits).

Each owner must submit this Informative Return with the income tax return.

For purposes of this return, the terms partnership and partner include a limited liability company and any of its members if they are subject to the provisions of Chapter 7 of Subtitle A of the Puerto Rico Internal Revenue Code of 2011, as amended (hereinafter "Code").

HOW TO FILE FORM 480.60 EC?

Form 480.60 EC must be **filed electronically** by means of the free of charge *W-2PR & Informative Returns Program 2017* available on our webpage: www.hacienda.pr.gov. For additional information, you may refer to the Internal Revenue Circular Letter No. 17-01 ("IR CL 17-01") and to the *W-2PR & Informative Returns Program 2017 Manual*, which is available through the *W-2PR & Informative Returns Program 2017*.

WHEN TO PROVIDE THE DECLARATION TO OWNERS?

The entity 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 owners. The informative returns must be provided to their owners 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 Pass-Through Entity Informative Income Tax Return (Form 480.20(EC)) on the date of its filing.

REQUEST FOR EXTENSION OF TIME TO PROVIDE THE REPORT TO OWNERS

A one (1) month automatic extension of time will be granted from the date prescribed to file the owner's report through the Request for Extension of Time to File Reports of Partnership, Special Partnership, Corporation of Individuals, Employees-Owned Special Corporation and Revocable Trust or Grantor Trust (Form AS 2644.1).

According to IR CL 17-01, to file electronically you must access the *E-Forms System* in the "Employers" section of our webpage: www.hacienda.pr.gov.

ESTIMATED TAX PAYMENT ON OWNERS' DISTRIBUTABLE SHARE

Sections 1062.05, 1062.04 and 1062.07 of the Code provide the requirements for the estimated income tax payments attributable to the stockholder's proportional share in a corporation of individuals, to the partner's distributable share on the income from a partnership or special partnership and of a member of a limited liability company subject to the provisions of Chapter 7 of the Code, respectively.

The managing owner or any other person in charge of providing the informative return to the owners, must determine and submit to the Department of the Treasury an amount equal to 30% of the total estimated owner's distributable share on the income items from a pass-through entity, less total withholdings on compensation payments received pursuant to judicial or extrajudicial proceedings and on payments for services rendered.

Such payments must be deposited with the Department of the Treasury in 4 equal installments, no later than the 15th day of the fourth, sixth, ninth and twelfth month of the entity's tax year, along with Form 480.9A (Withholding Tax Payment Voucher) or substitute form.

For a partner that is a nonresident alien individual, foreign corporation or partnership not engaged in trade or business in Puerto Rico, the withholding amount is 29% of the distributable share on the net income of the special partnership.

For a stockholder that is a nonresident alien individual, the withholding amount is 33% of the distributable share on the net income of the corporation of individuals.

Any balance not paid by the end of the entity's tax year, must be paid not later than the 15th day of the third month following the close of the tax year, along with Form 480.9A (Withholding Tax Payment Voucher) or substitute form.

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

The owner 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 owner's distributable share will be determined as if such items were realized by the owner directly out of the source from which the entity realized them, or incurred in the same way that they were incurred by the entity. Likewise, the owner's distributable share on income from sources

outside of Puerto Rico earned by the entity will retain the character of the income from sources outside of Puerto Rico in the hands of the owner.

Nevertheless, Sections 1114.06(b) and 1115.04(c) of the Code provide, respectively, that the partner or stockholder of a special partnership or corporation of individuals may elect to treat its distributable share on lines 1, 2, 4, 5, 8, 9, 10, 11, 12, 13, 14, 15 and 16 of Part III as part of the special partnership's or corporation of individual's net income or loss. In this case, the amount allowable as a deduction for its distributable share on the loss from the sale or exchange of capital assets by the special partnership or corporation of individuals will be limited to the partner's or stockholder's distributable share on the capital gains realized by the special partnership or corporation of individuals. Once the election is made for a particular tax year, the same is irrevocable with respect to such year.

EVIDENCES OF THE INFORMATIVE RETURN

Evidence must be kept in the entity's records for a period of ten (10) years for items that so require, in case of further review, investigation, or audit procedure.

SPECIFIC INSTRUCTIONS

Enter the information required in each space. The entity is required to provide this informative return to each owner completed in all parts, so the owner can complete the income tax return to be filed with the Department of the Treasury.

Check in the heading the box corresponding to the type of pass-through entity that completes the informative return and indicate the entity's taxable year.

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

Also, select the form with respect to which this Informative Return is prepared:

- Form 480.20(EC) – Informative Income Tax Return Pass-Through Entity
- Form 480.10(SC) – Partnership Informative Income Tax Return – Composite
- Form 480.20(U) – Income Tax Return 480.20(U) (Nonresident foreign corporations and partnerships subject to the effectively connected income source rules of Act 154-2010, as amended)

PART I – INFORMATION OF THE PARTNER, STOCKHOLDER OR MEMBER

Indicate on lines A through J, the information applicable to the description of the owner.

Line B – Select the type of owner. If the owner is not a natural person, select the the type of business organization.

Line E – Indicate the amount of the entity's current debts assumed by the owner, including those liabilities which are secured and

unsecured by the owner. The owner's basis will increase by liabilities secured by such owner.

Line F – Enter the partnership's or special partnership's debts attributable to the partner with respect to operations covered under Act 78-1993 and Act No. 52 of 1983.

Line G - If the activities are covered by a tax exemption grant or decree, check the act that grants such exemption. The boxes corresponding to Act 362-1999, Act 27-2011 and Act 20-2012, may be selected only if the entity is a partnership. The boxes corresponding to Act 135-1997 and Act 83-2010, may only be selected by entities that are a special partnership or partnership. If you are entitled to an exemption under any act that is not included on this line, indicate the same in subsection 13.

PART II – ANALYSIS OF CAPITAL ACCOUNT OF THE PARTNER STOCKHOLDER OR MEMBER

Column (a) – Enter any capital contributed by the owner during the tax year.

Column (b) – Enter any other basis increases attributable to the owner, including the amount of a special partnership's debt assumed by a partner. A schedule detailing the nature of each item included on this line must be kept for your records.

Column (c) – Enter the owner's distributable share on the gains or losses from the entity during the taxable year.

Column (d) – Enter the amount attributable to the owner's debt assumed and secured by the entity. The owner must also include this information on Schedule R Individual, Part I, line 3(i) or Part III, line 3(h).

Column (e) – Enter the amount attributed to withdrawals or distributions made by the entity to the owner, excluding the amount attributed to income tax for withholdings at source on the distributable share made to a resident owner (30%), to a nonresident alien partner of a special partnership (29%) or to an individual nonresident alien stockholder of a corporation of individuals (33%).

Column (f) – Enter the amount attributed to other decreases to the owner's basis in the entity.

Include on this line the amount of a partner's individual debt assumed by a special partnership.

To calculate the loss that the owner is entitled to claim, the adjusted basis of the owner's interest must be determined as prescribed under Sections 1071.05, 1114.17 and 1115.05 of the Code.

The owner's losses in one or more entities are allowed as a deduction, subject to certain limitations, against income from other entities in which the owner is a shareholder or stockholder. Each loss may be considered up to the amount of the adjusted basis of the owner's interest in each corresponding entity.

The limitation of the adjusted basis will be computed for each one of the entities in which the owner invests.

If the loss deduction allowable to the owner for any tax year is less than its distributable share in the entity's net loss, the owner may claim such excess as a deduction in any future tax year, subject to the limitations previously explained.

PART III – DISTRIBUTABLE SHARE PER CATEGORY

Enter in each one of the spaces provided the owner's distributable share on the applicable item 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 owner's distributable share on the gain or loss derived from the sale or exchange of capital assets held by the entity 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 on the gain or loss derived from the sale or exchange of capital assets held by the entity for one (1) year or less.

Line 5 - Net income (or loss) from the entity's trade or business

Include on this line the owner's distributable share on the net income or loss from the entity's trade or business.

Do not include in this item income, gains or losses identified on other lines of this Part III.

Enter on line 5(a) the share of the entity's net income attributable to services rendered by the owner and not paid to the owner as salaries or compensation for services rendered.

The amount on line 5(a) must be reported by the owner as income from services or from trade or business in its income tax return.

Enter on line 5(b) the difference between the total amount on line 5 and the amount attributable to the services rendered by the owner reported on line 5(a).

The amount on line 5(b) must be informed by the owner on Schedule R of its income tax return.

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

Enter on this line the owner's distributable share on the net income or loss from operations under Act No. 52 of 1983, Act No. 47 of 1987, Act 78-1993, Act 225-1995, Act 74-2010, or Act 132-2010.

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

Enter on this line the owner's distributable share on the net operating income or loss subject to a fixed special tax rate, such as income under Act 83-2010, known as the Puerto Rico Green Energy Incentives Act, and income from Act 73-2008, excluding dividends, long-term capital

gains and interest income from deposits in financial institutions. Also, enter on this line the net income or loss subject to preferential tax rates under the provisions of Act 125-1997, Act 362-1999, Act 27-2011 and Act 20-2012.

Enter in the first Column the amount attributable to the owner on the net taxable income and in the second Column the tax deposited by the entity, as determined in Form 480.20(EC).

In the case of an individual owner, the net income from this line must be included on Schedule F Individual, Part V, Column E and transferred to Schedule A2 Individual, Columns G and H, as applicable, to determine the income tax at the corresponding fixed rate. The tax withheld as reported in Column 2 of this line 7 must be transferred to Schedule B Individual, Part III, line 11(e).

In the case of a corporation, the net income reported in the first Column of this line 7 must be included in Part I, line 18, page 2 of the corporations income tax return. The tax reported in Column 2 of this line 7 must be transferred to Schedule B Corporation, Part III, line 7(c).

Line 8 - Eligible distribution of dividends from corporations

The owners may individually claim on their returns those dividends received by the entity from eligible dividend distributions, as defined in Section 1023.06 of the Code, according to their distributable share therein, with the proportion of tax withheld. In the case of an individual partner, said tax withheld must be included on Schedule B Individual, Part III, line 11(b) and in the case of a corporate partner, it will be included on Schedule B Corporation, Part III, line 7(b).

Enter on this line the owner's distributable share on the total eligible dividend distributions received by the entity from a corporation, which are subject to the 15% rate, along with the corresponding tax withheld.

In the case of special partnerships and corporations of individuals, as elected by the owner, said income may be included in the entity's net income to determine its income or loss, as provided in Sections 1114.06(b) and 1115.04(c) of the Code, respectively.

Line 9 – Distributions of dividends subject to ____% withholding

Enter on this line the owner's distributable share on the dividend distributions subject to a fixed special tax rate not previously specified, along with the corresponding tax withheld. Specify the applicable rate in the blank space provided for this purpose.

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

Enter on this line the owner's distributable share on the income derived by the entity from interests on investments or deposits in cooperatives, savings associations authorized by the Federal Government or by 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 an election was made. In the case of an individual owner, such tax withheld must be included on Schedule B Individual, Part III, line 11(a).

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

Enter on this line the owner’s distributable share on the taxable interests received or credited that were not subject to withholding.

Line 12 – Other interests subject to withholding at the 10% rate

Enter here the owner’s distributable share on the income from taxable interests received or credited that were subject to the 10% preferential rate. In the case of an individual owner, such tax withheld must be included on Schedule B Individual, Part III, line 11(a).

Line 13 – Other interests subject to ____% withholding

Enter on this line the owner’s distributable share on the income from taxable interests received or credited that were subject to a fixed special tax rate not previously specified, along with the corresponding tax withheld. Specify the corresponding rate in the blank space provided for this purpose.

Line 14 - Distributable share on gain from a partnership or special partnership owned by the entity

The entity can be a partner of a partnership or a special partnership.

This line will reflect the owner’s distributable share on income from the partnership, special partnership or limited liability company subject to the provisions of Chapter 7 of the Code attributed to the entity.

Line 15 - Distributable share on loss from a partnership or special partnership owned by the entity

The entity can be a partner of a partnership or a special partnership.

This line will reflect the owner’s distributable share on loss from the partnership, special partnership or limited liability company subject to the provisions of Chapter 7 of the Code attributed to the entity.

Line 16 - Others

Enter the total of other income not included on the preceding lines. If this line includes income from different concepts, a schedule showing a breakdown of such income must be kept for your records. Copy of the schedule must be included with the Informative Return provided to the owner.

Line 17 - Exempt income

Enter the owner’s distributable share on the total amount of exempt income derived by the entity.

Line 18 - Exempt income subject to alternate basic tax

Enter the individual owner’s distributable share on the total amount of exempt income subject to alternate basic tax.

Line 19 - Adjustment for purposes of the alternate basic tax

Enter here the owner’s distributable share in any adjustment to the income from the entity that, at the entity’s individual owner level, are considered income subject to alternate basic tax, such as nondeductible expenses for purposes of the alternate basic tax at the

individual owner level, or in the case of special partnerships, the adjustment for the determination of the share in the profit or loss from certain special partnerships under the percentage of completion method. (Refer to Regulation No. 8329 of January 9, 2013.)

Line 20- Adjustment for purposes of the alternative minimum tax

Enter here the corporate owner’s distributable share in any adjustment to the income from the entity that, at the owner level, are considered income subject to alternative minimum tax. **A schedule detailing the nature of each item included on this line with the amount of each adjustment per item must be kept for your records.** Copy of this schedule must be included with the Informative Return that the entity provides to the owner.

Line 21 – Charitable contributions

Enter here the partner’s distributable share on the total charitable contributions paid during the tax year, by the partnership, 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 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 particular partner.

Enter here, also, the partner’s distributable share on the deduction for contributions paid to:

- the Government 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 Puerto Rican Fund for the Financing of Cultural Affairs;
- the Puerto Rico Communitarian Foundation;
- posts or organizations of war veterans, or auxiliary units of, or trusts or foundations for, any of such posts or organizations, if such posts, organizations, units, trusts or foundations are organized in Puerto Rico, the United States or any of their States or possessions, as long as no part of its net earnings inures to the benefit of any particular shareholder or individual;
- the Corporation of the Symphonic Orchestra of Puerto Rico; and
- the Fund for Services Against Remediable Catastrophic Illnesses.

Include also the partner’s distributable share on the contributions of cultural or historic value made to a municipality, 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, on occasion of the celebration of the centennial foundation of said municipalities. If this type of contributions are included on this line, you must keep for your records a schedule

itemizing those contributions. Copy of this schedule must be included with the Informative Return that the entity provides to the owner.

Line 22 - Volume of business

Enter here the owner's distributable share on the total entity's volume of business in order to determine the requirement to file financial statements.

PART IV – NONRESIDENT ALIENS PARTNERS OR STOCKHOLDERS

Enter on line 1 of this Part IV the distributable share of a nonresident alien owner in the net income of a pass-through entity and the corresponding withholding.

PART V - 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 by which it 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, 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. Subsequently, AAFAF has issued several resolutions regarding the use and availability of tax credits.

In turn, on April 20, 2017, the Department of the Treasury ("Department") 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 through the electronic filing of Form 480.71.1 (Informative Return for Tax Credits Holders). For these purposes, the Department 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 through the electronic filing of Form 480.71.1. Therefore, in order to claim a tax credit, it must be included in Form 480.71.1 submitted by the credit holder to the Department.

Every Pass-Through Entity that reports the distributable share of a tax credit to its owners, must accompany with its Informative Return copy of Form 480.71.1 duly filed in the Department.

A. Credits Subject to Moratorium

Line 1 – Credit attributable to losses or for investment in Capital Investment Funds, Tourism Funds or other funds or directly

Enter the owner's distributable share in the amount of credit determined on Schedules Q and Q1 included on the Pass-Through Entity Informative Income Tax Return (Form 480.20(EC)), attributable to losses or for investment in a Capital Investment Fund, Tourism Fund, or other funds, or directly.

Line 2 - Credit for construction investment in urban centers (Act 212-2002)

Enter the owner's distributable share on the amount of credit for investment in construction on urban centers. Every person that carries

out a construction or improvement project in an urban center, as provided by law, may qualify to claim a credit against the tax.

The grant of the credit is subject to taxpayer's request and the issuance of an administrative determination by the Secretary of the Treasury.

For additional details, refer to Act 212-2002, as amended, and the corresponding regulations.

Line 3 - Credit for merchants affected by urban centers revitalization (Act 212-2002)

Enter the owner's distributable share on the amount of the Tax Credit for Merchants Affected by Urban Centers Revitalization. Every business entity established in the area affected by the construction of the revitalization projects in urban centers, will be entitled to claim an 8% tax credit from 50% of the gross sales generated during the construction period.

To claim this credit, the return must include a certification issued by the Puerto Rico Trade and Export Company in which the taxpayer is identified as a merchant affected by the construction work.

For additional details, refer to Act 212-2002, as amended, and the corresponding regulations.

Line 5 - Credit for the establishment of an eligible conservation easement or donation of eligible land (Act 183-2001)

Enter the owner's distributable share in the amount of credit for the establishment and donation of a conservation easement, equal to 50% of the value of the eligible conservation easement. To claim this credit you must obtain a certification issued by Secretary of the Treasury.

For additional details, refer to Act No. 183-2001, as amended, and Internal Revenue Circular Letter No. 05-04 of March 23, 2005.

Line 6 - Credit for the purchase of tax credits

Enter the owner's distributable share on the tax credits acquired by the entity during the year through the purchase, exchange or transfer from the primary investor that are subject to moratorium under Sections 1051.11 and 1051.12 of the Code.

Part VII of Form 480.60 EC must be completed.

Line 7 - Other credits not included on the preceding lines

Enter on this line the owner's distributable share in the total amount of other credits subject to moratorium not included on the preceding lines. If different concepts of credit 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 entity provides to the owner.

B. Credits Not Subject to Moratorium

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

The owners of an entity are entitled to claim, according to the percentage applicable to their distributable share in the entity, a credit

pursuant to Section 4(a) of the Incentives Act, against their tax due for the year in which the entity received, as an investor, a distribution from Industrial Development Income.

Enter on this line the owner's distributable share on the tax withheld at source to the entity on dividends from Industrial Development Income.

Line 9 – Credit for increase in investment

Enter the owner's distributable share in the portion of the credit attributable to dividends received from industrial development income equal to the 3% of the investment made by the subsidiary before January 1, 1993 or after the second year of the tax exemption, whichever applies, in the acquisition, construction and expansion of buildings and other structures used in manufacture, in excess of the investment in said assets owned by the subsidiary as of March 31, 1977.

Line 10 - Credit for investment in Film Industry Development (Act 27-2011)

Enter the owner's distributable share on the amount of the credit to be claimed for the investment in a Film Entity engaged in a Film Project and/or Infrastructure Project under Act 27-2011.

This credit is subject to the request and approval by the Secretary of the Treasury of an administrative determination under Act 27-2011 and its regulations. For additional details, refer to Act 27-2011.

Line 11 – Credit for the purchase or transmission of television programming made in P.R. (Section 1051.14)

Enter the owner's distributable share in the amount of credit to be claimed for the purchase or transmission of television programming made in Puerto Rico, according to Section 1051.14 of the Code.

This credit is subject to the issuance of a Compliance Certification by the Department of Economic Development, according to the provisions of Section 1051.14 of the Code and regulations thereunder.

Line 12 – Credit for contributions to former governors foundations

Enter the owner's distributable share in the amount of credit to be claimed for contributions to former governors foundations equivalent to 100% of the amount contributed during the taxable year to such foundations for operating expenses and those expenses related to the purposes for which they were created and/or those donations to a Depository of Files and Relics of Former Governors and Former First Ladies of Puerto Rico constituted according to the provisions of Act 290-2000 by itself or as a whole with public or private Higher Education entities, to cover the costs of construction, operation and other necessary expenses for the true fulfillment of the purposes of Act 290-2000 and Act 302-2012. The tax credits to be granted cannot exceed \$1,000,000 in aggregate, for any taxable year.

To claim this tax credit a certification issued by the recipient entity must be submitted as evidence that the contribution was made and accepted. The amount of the credit not used in the taxable year in which the contribution was made, may be carried over to subsequent taxable years, until fully exhausted.

Line 13 - Credit to investors who acquire an exempt business that is about to close its operations in Puerto Rico (Act 109-2001)

Enter the owner's distributable share in the amount of credit for the investment in an exempt business that is about to close its operations in Puerto Rico. Every investor may claim an industrial investment credit equal to 50% of its eligible investment.

The credit must be claimed in two installments: the first half in the year that the eligible investment was made and the balance in subsequent years.

Every investor must request an administrative determination to the Secretary of the Treasury before claiming the industrial investment credit.

The part of the credit not used in the taxable year may be carried over to subsequent years, until fully exhausted.

For additional details, refer to Act 109-2001 and the regulations thereunder.

Line 14 - Credit for contributions to Santa Catalina's Palace Patronage and/or State Capitol of the Legislative Assembly Patronage

Enter the owner's distributable share on the 100% of contributions made to Santa Catalina's Palace Patronage and/or State Capitol of the Legislative Assembly Patronage (Patronages). The tax credits to be granted cannot exceed \$2,500,000 for any taxable year.

Remember that contributions to the Patronages generate a tax credit. Therefore, such contribution cannot be claimed as part of the deduction for charitable contributions.

Line 15 - Credit for investment Act 73-2008

Enter the owner's distributable share in the amount of credit to be claimed for industrial investment under Section 6 of Act 73-2008. This amount shall be equal to 50% of the eligible investment to be claimed in two or more installments: the first half in the year in which the eligible investment is completed and the balance in the subsequent years.

The credit not used in a taxable year may be carried over to subsequent years, until fully exhausted.

Line 16 – Credit for investment Act 83-2010

Enter the owner's distributable share in the amount of credit to be claimed for investment in research and development activities of green energy sources under Act 83-2010, better known as the Puerto Rico Green Energy Incentives Act. The credit shall be equal to 50% of the special eligible investment and shall be claimed in two or more installments: the first half in the year in which the eligible investment is made and the balance in the subsequent years.

The credit not used in the taxable year may be carried over to subsequent years, until fully exhausted. This credit does not generate a refund.

For additional details, refer to Act 83-2010.

Line 17 - Credit for the purchase of tax credits

Enter the owner’s distributable share in the tax credits acquired by the entity during the year through the purchase, exchange or transfer from the primary investor that are not included on the list of credits subject to moratorium under Sections 1051.11 and 1051.12 of the Code.

Part VII of Form 480.60 EC must be completed.

Line 18 - Other credits not included on the preceding lines

Enter on this line the owner’s distributable share in the total amount of other credits not subject to moratorium not included on the preceding lines. If different concepts of credit 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 entity provides to the owner.

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

Enter in this part the owner’s distributable share in 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 VI provides space to include the income per country of up to 3 countries, in addition to the United States. If there is income derived from more than 3 countries, you must include the total of such income in one column and keep for your records a schedule breaking down the information of the net income and tax paid to each country.

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

Enter on this line the owner’s distributable share in the net income from sources outside of Puerto Rico derived by the entity. This amount must be reported per country, as determined on line 3, Part I of Schedule C Pass-Through Entity submitted by the entity with its Pass-Through Entity Informative Income Tax Return (Form 480.20(EC)).

Line 2 - Tax paid during the year

Enter on this line the owner’s distributable share in the income tax paid or accrued to the United States, its possessions or foreign country as reported in Part II of Schedule C Pass-Through Entity submitted by the entity with its Pass-Through Entity Informative Income Tax Return (Form 480.20(EC)).

PART VIII – DISTRIBUTABLE SHARE ON THE NET INCOME SUBJECT TO PREFERENTIAL RATES

Indicate in this part the owner’s distributable share on the net income and income tax withheld in the cases where the entity operates with an exemption decree under the Puerto Rico tax incentives acts.

In the Columns for “Net Income” and “Tax Determined” you must indicate the owner’s attributable amount from Schedules V, W, X, Y, Z and AA Pass-Through Entity, Part IX, as applicable. Also, specify the applicable corresponding rate in the spaces provided for this purpose on lines 1 through 6.

The total tax withheld indicated on line 7 of this part, must have been paid by the entity on behalf of its owners.