



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... F. Debts attributable... G. Entity's merchant registration number: H. Subject to Act 154-2010 I. Mark if an Investor Special Partnership J. Election for the Optional Tax K. Sworn Statement... L. Partner or stockholder made the election of M. Indicate if the Entity was granted an exemption...

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.

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, (c) Partner's or stockholder's distributable share, (d) Partner's or stockholder's debts assumed and secured, (e) Withdrawals and distributions, (f) Other decreases to basis

Part III DISTRIBUTABLE SHARE PER CATEGORY

Table with 4 columns: Category, Amount, Tax Withheld, Total. Rows include Net long-term gain, Net short-term gain, Net gain, Net income, Dividends, Interest income, etc.

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 1-9). Section B: CREDITS NOT SUBJECT TO MORATORIUM (lines 10-21)

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

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

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, Schedule W Pass-Through Entity, Schedule X Pass-Through Entity, Schedule Y Pass-Through Entity, Schedule Z Pass-Through Entity, Schedule AA Pass-Through Entity, Total



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 Informative Income Tax 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?

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

All new Pass-Through Entity will need to complete their registration in SURI, as a New Taxpayer, under the My Business Account option, in order to see reflected their tax accounts and make any transaction in such accounts.

All SURI accounts should have a Master Administrator designated, who can make any type of transaction and grant access to the tax accounts.

Those existing entities, previously registered in SURI, will not have to register again. However, if the entity does not have a Master Administrator designated to their account, they must register as an existing user to obtain a username and password as the Master Administrator.

In your SURI account, you can access the Pass-Through Entity account through the Register Accounts link in the I Want To selection. For additional information regarding the registration in SURI, including the access to the Pass-Through Entity account, please refer to the Internal Revenue Circular Letter No. 20-12 of February 21, 2020.

As established in the Internal Revenue Circular Letter No. 20-10 of February 21, 2020 ("CC RI 20-10"), to comply with the filing of the Pass-Through Entity Informative Income Tax Return for taxable year 2019, the entity must have filed the corresponding Forms 480.60 EC.

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

Any entity that has requested an automatic extension of time to file the entity's informative return, will automatically be granted a 6 month extension to file and deliver the owner's reports (Forms 480.60 EC). 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.

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, and they must be made electronically through the SURI account.

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 no later than the 15th day of the third month following the close of the tax year, electronically through the SURI account.

For additional information regarding the process to make the estimated payment of the owner's distributable share, please refer to the CC RI 20-10.

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 return 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 M, 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 J - Indicate if the entity elected the optional tax of Section 1071.10 or 1115.15 of the Code, as applicable.

Line K - Indicate if the partner or stockholder submitted the sworn statement to exempt the entity from the obligation to withhold the tax provided in Section 1062.05 or 1062.07 of the Code.

Line L - Indicate if the partner or stockholder made the election provided in Section 1062.07(a)(1)(A) of the Code in order for the entity to withhold the maximum tax rate for corporations plus an additional ten (10) percent of the dividend equivalent amount, according to Section 1092.02 of the Code, resulting from its distributable share.

Line M - 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 15.

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 provided 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 165-1996, 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 135-1997, Act 362-1999, Act 27-2011, Act 20-2012 and Act 14-2017.

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 F and transferred to Schedule A2 Individual, Columns F, 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 15, 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 at 15%

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 deductions not allowed for alternate basic tax and alternative minimum tax

Enter here the owner's distributable share in any adjustment to the income from the entity that, at the entity's individual owner or corporate partner level, are considered nondeductible for purposes of the alternate basic tax or alternative minimum tax, as applicable.

Line 20 - Other adjustments 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. For more details, please refer to Regulation No. 8329 of January 9, 2013.

Line 21 - Other adjustments 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 22 – 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 23 - 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.

Line 24 - Gross income subject to Optional Tax (Section 1071.10 or 1115.11 of the Code)

Enter here the owner's distributable share on the gross income that will be subject to optional tax of Section 1071.10 or 1115.11 of the Code, as applicable. This amount will constitute an exclusion from the

gross income and only will be considered to determine the owner's tax basis in the entity.

In those cases where the pass-through entity makes the election for the Optional Tax and to pay said tax with the Pass-Through Entity Informative Income Tax Return (Form 480.20 (EC)), the amounts reported on this line should not be included in the owner's return. Likewise, the tax withheld reported on this line should not be included in the owner's return. In addition, in these cases when the owner is an individual, he or she cannot use the amount reported on this line to determine the limitation of the mortgage interest deduction.

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 ("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 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, Tourism or other funds or direct investment

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 direct investment.

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.

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

Line 4 - Credit for purchases of products manufactured in Puerto Rico and Puerto Rican agricultural products

Act No. 257 of December 10, 2018 (Act 257-2018) amended the provisions of Sections 1051.07 and 1051.09 of the Code to establish that the credit for purchases of products manufactured in Puerto Rico and Puerto Rican agricultural products is not available for the 2019 taxable year.

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 183-2001, as amended, and Internal Revenue Circular Letter No. 05-04 of March 23, 2005.

Line 6 - Credit for housing infrastructure (Act 98-2001)

Enter the owner's distributable share in the amount of credit for investment in housing infrastructure recommended by the designated officers of the Housing Department and the Department of the Treasury.

Act 98-2001, as amended, grants a credit for infrastructure investment to the developers of housing projects. It will be subject to the taxpayer's request and the approval by the Secretary of an administrative determination under Act 98-2001 and the applicable regulations.

For additional details, refer to Act 98-2001 and its corresponding regulations.

Line 7 - Credit for construction or rehabilitation of rental housing projects for low or moderate income families (Act 140-2001)

Enter the owner's distributable share in the amount of credit for investment in the construction or rehabilitation of rental housing projects for low or moderate income families.

Act 140-2001 provides that every owner of a rental housing project for low or moderate income families may qualify for a tax credit. The petitioner must file an application with the Housing Finance Authority.

The tax credit will be subject to the taxpayer's request and the approval by the Secretary of an administrative determination.

Line 8 - Credit for the purchase of tax credits

Enter the owner's distributable share on the tax credits subject to moratorium acquired by the entity during the year through the purchase, exchange or transfer from the primary investor.

Part VII of this form must be completed.

Line 9 - 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 10 - 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 11 – Credit for increase in investment

Act 257-2018 amended the provisions of Section 1051.05 of the Code to establish that the credit for increase in investment is not available for the 2019 taxable year.

Line 12 - 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 an administrative determination under Act 27-2011 and its regulations. For additional details, refer to Act 27-2011.

Line 13 – 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 14 – 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 Section 1051.10 of the Code. The tax credits to be granted for the 2019 taxable year cannot exceed \$500,000 in aggregate.

To claim this tax credit a certification issued by the recipient entity must be submitted as evidence that the contribution was made and accepted; that the foundation is operationally active at the time of receiving the contribution; that it has the Certificate of Tax Exemption issued by the Department of the Treasury; and that it complies with the annual report that is submitted to the Commission of Legislative Funds for Community Impact (as provided in Section 1051.10(b) of the Code). 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 15 - Credit to investors who acquire an exempt business that is in the process of closing 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 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 16 - 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.

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

Line 17 - 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.

For additional details, refer to Act 73-2008 and its corresponding regulations.

Line 18 – Credit for investment Act 83-2010 (Research and Development)

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 19 - Credit for investment in opportunity zone (Act 60-2019)

Enter the owner's distributable share in the amount of credit to be claimed for eligible investment in opportunity zones. The credit will

be equal to the eligible percentage of eligible investment and must be claimed as indicated below:

- **If the eligible investment is made in the year the exempt business completed full construction of the Priority Project or when the exempt business begins operations (if the priority project does not require construction):**

The credit must be claimed in four (4) installments: 25% in the year in which the exempt business ended construction or when the exempt business began operations, whichever is later, and 25% of the balance of said credit in the in the next three (3) subsequent years.

- **If the eligible investment is made after completing the construction of the Priority Project or the exempt business begins operations:**

The credit must be claimed in four (4) installments: 25% in the year in which a significant expansion has been made in the real property built or in the exempt business, as applicable, and as the Secretary of Economic Development defines this term by regulation, administrative determination, circular letter or informative bulletin, for these purposes, and 25% of the balance of said credit in the next three (3) subsequent years.

Any eligible investment made during the investor's taxable year, will qualify for this tax credit, in said taxable year, provided all the requirements are met.

This credit may be applied against any tax determined of the investor, according to Subtitle A of the Code, including the alternate basic tax applicable to individuals and the alternative minimum tax applicable to corporations.

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

The taxpayer must include with his return copy of the Administrative Determination issued by the Department of Economic Development and Commerce granting said credit.

The taxpayer must also include with the return for every year in which the credit is claimed, a schedule detailing the year in which the credit is available to be used, the taxable years in which it has been claimed, the expiration date of the credit, the total amount of the credit, and the amounts claimed in previous years.

For additional details, refer to Act 60-2019.

Line 20 - Credit for the purchase of tax credits

Enter the owner's distributable share in the tax credits not subject to moratorium acquired by the entity during the year through the purchase, exchange or transfer from the primary investor.

Part VII of this form must be completed.

Line 21 - 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 STATES, 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, state, 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 1, Part V of the Pass-Through Entity Informative Income Tax Return (Form 480.20(EC) filed by the entity).

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 states, possessions or foreign country as reported on line 2, Part V of the Pass-Through Entity Informative Income Tax Return (Form 480.20(EC) filed by the entity).

PART VII - BREAKDOWN OF THE PURCHASE OF TAX CREDITS

Enter the owner's distributable share in the amount of credit acquired by the entity. Select the block corresponding to the act (or acts) under which the credit was acquired. Transfer the amount from lines 9 and 18 to Part V of this Informative Return 480.60 EC, lines 8 and 20, respectively.

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 Withheld" you must indicate the owner's attributable amount from Schedules V, W, X, Y, Z and AA Pass-Through Entity, Part XIII of Form 480.20(EC), 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.