



INFORMATIVE RETURN - PASS-THROUGH ENTITY Owner's Distributable Share on Income, Losses and Credits

Control Number

Control No. of Original Informative Return

Taxable year beginning on ,20 and ending on ,20

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

Owner's Name, Owner's Social Security or Employer Identification No., AMENDED (Day Month Year)

Address

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

Address

Part I OWNER'S INFORMATION

A. 1. Managing Partner, 2. Limited Partner, 3. Unlimited Partner, B. TYPE: 1. Individual, 2. Trust, 3. Estate, 4. Pass-Through Entity, 5. 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 owners, F. Debts attributable to owners of the Pass-Through Entity under Act 78-1993 and Act No. 52 of 1983, G. Entity's merchant registration number, H. Subject to Act 154-2010, I. Optional Tax Election, J. Sworn Statement submitted by owner, K. Owner made the election of Section 1062.07(a)(1)(A) of the Code, L. Indicate if the Entity was granted an exemption under the following acts:

Part II ANALYSIS OF OWNER'S CAPITAL ACCOUNT

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

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 at 15%, 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 pass-through entity owned by the entity, 15. Distributable share on loss from a pass-through entity owned by the entity, 16. Others, 17. Total net income (or loss) from distributable share per category, 18. Exempt income (Schedule IE Pass-Through Entity), 19. Exempt income subject to alternate basic tax, 20. Adjustment for deductions not allowed for alternate basic tax and alternative minimum tax, 21. Other adjustments for purposes of the alternate basic tax, 22. Other adjustments for purposes of the alternative minimum tax, 23. Charitable contributions, 24. Volume of business, 25. Pass-through entity's gross income, 26. Gross income of subsidiary pass-through entities, 27. Optional tax (Section 1071.10 of the Code)

Part IV NONRESIDENT ALIENS OWNERS		Amount		Tax Withheld		
1. Distributable share on net income from the pass-through entity ..... (1)		00		00		
Part V CREDITS (See instructions)		A - Pre Tax Credits Manager		B - Post Tax Credits Manager		
<b>A. CREDITS SUBJECT TO THE LIMITATION PROVIDED UNDER SECTION 1051.13 OF THE CODE</b>						
1. Credit attributable to losses or for investment in the Capital Investment, Tourism or other funds or direct investment (Schedules Q and Q1) ..... (1)		00		00		
2. Credit for investment in housing infrastructure (Act 98-2001, as amended) (See instructions) ..... (2)		00		00		
3. Credit for investment in the acquisition, construction or rehabilitation of affordable rental housing to the elderly (Chapter 2 of Act 140-2001, as amended) (See instructions) ..... (3)		00		00		
4. Credit for construction investment in urban centers (Act 212-2002, as amended) (See instructions) ..... (4)		00		00		
5. Credit for the establishment of an eligible conservation easement or donation of eligible land (Act 183-2001, as amended) (See instructions) ..... (5)		00		00		
6. Credit for the purchase of tax credits (Complete Part VII) (See instructions) ..... (6)		00		00		
7. Other credits subject to limitation not included on the preceding lines (Submit detail) ..... (7)		00		00		
<b>B. CREDITS NOT SUBJECT TO THE LIMITATION PROVIDED UNDER SECTION 1051.13 OF THE CODE</b>						
8. Credit for tax withheld at source from Industrial Development dividends (Act No. 8 of 1987) ..... (8)		00		00		
9. Credit for investment in film industry development (Act 27-2011): <input type="checkbox"/> 1 Film Project or <input type="checkbox"/> 2 Infrastructure Project (See instructions) ..... (9)		00		00		
10. Credit for the purchase or transmission of television programming made in P.R. (Section 1051.14) (See instructions) ..... (10)		00		00		
11. Credit for contributions to former governors foundations (See instructions) ..... (11)		00		00		
12. Credit for contributions to: <input type="checkbox"/> 1 Santa Catalina's Palace Patronage <input type="checkbox"/> 2 Patronage of the State Capitol of the Legislative Assembly (See instructions) ..... (12)		00		00		
13. Credit for investment (Section 6 of Act 73-2008) ..... (13)		00		00		
14. Credit for investment in opportunity zones (Act 60-2019) ..... (14)		00		00		
15. Credit for the purchase of tax credits (Complete Part VII) (See instructions) ..... (15)		00		00		
16. Other credits not subject to limitation not included on the preceding lines (Submit detail) ..... (16)		00		00		
Part VI TAXES PAID TO FOREIGN COUNTRIES AND THE UNITED STATES, ITS STATES, TERRITORIES AND POSSESSIONS (See instructions)						
		Foreign Country, State, Territory or Possession of the United States			United States	Total
		A	B	C		
Name of the country, state, territory or possession .....						
1. Net income from sources within the country, state, territory or possession (1)		00	00	00	00	00
2. Tax paid during the year ..... (2)		00	00	00	00	00
Part VII BREAKDOWN OF THE PURCHASE OF TAX CREDITS						
Check the box corresponding to the act (or acts) under which you acquired the credit and enter the amount:						
		A - Pre Tax Credits Manager		B - Post Tax Credits Manager		
<b>A. CREDITS SUBJECT TO THE LIMITATION PROVIDED UNDER SECTION 1051.13 OF THE CODE</b>						
1. <input type="checkbox"/> Solid Waste Disposal (Act 159-2011) ..... (1)		00		00		
2. <input type="checkbox"/> Capital Investment Fund (Act 46-2000) ..... (2)		00		00		
3. <input type="checkbox"/> Housing Infrastructure (Act 98-2001) ..... (3)		00		00		
4. <input type="checkbox"/> Construction or Rehabilitation of Rental Housing Projects for Low or Moderate Income Families or Investment in the Acquisition, Construction or Rehabilitation of Affordable Rental Housing to the Elderly (Act 140-2001, as amended) ..... (4)		00		00		
5. <input type="checkbox"/> Conservation Easement (Act 183-2001) ..... (5)		00		00		
6. <input type="checkbox"/> Revitalization of Urban Centers (Act 212-2002) ..... (6)		00		00		
7. <input type="checkbox"/> Other: ..... (7)		00		00		
8. Total credit for the purchase of tax credits subject to limitation (Add lines 1 through 7, Columns A and B, respectively. Transfer to Part V, line 6) ..... (8)		00		00		
<b>B. CREDITS NOT SUBJECT TO THE LIMITATION PROVIDED UNDER SECTION 1051.13 OF THE CODE</b>						
9. <input type="checkbox"/> Tourism Development (Act 78-1993 and Act 74-2010) ..... (9)		00		00		
10. <input type="checkbox"/> Tourism Eligible Investment (Act 60-2019) ..... (10)		00		00		
11. <input type="checkbox"/> Film Industry Development (Act 27-2011) ..... (11)		00		00		
12. <input type="checkbox"/> Creative Industries (Act 60-2019) ..... (12)		00		00		
13. <input type="checkbox"/> Economic Incentives (Research and Development) (Section 5(c) of Act 73-2008) ..... (13)		00		00		
14. <input type="checkbox"/> Economic Incentives (Industrial Investment) (Section 6 of Act 73-2008) ..... (14)		00		00		
15. <input type="checkbox"/> Green Energy Incentives (Research and Development) (Act 83-2010) ..... (15)		00		00		
16. <input type="checkbox"/> Research and Development Investment (Act 60-2019) ..... (16)		00		00		
17. <input type="checkbox"/> Opportunity Zones (Act 60-2019) ..... (17)		00		00		
18. <input type="checkbox"/> Other: ..... (18)		00		00		
19. Total credit for the purchase of tax credits not subject to limitation (Add lines 9 through 18, Columns A and B, respectively. Transfer to Part V, line 15) ..... (19)		00		00		
Part VIII DISTRIBUTABLE SHARE ON THE NET INCOME SUBJECT TO PREFERENTIAL RATES				Earned through Subsidiary Pass-Through Entities		
Tax Responsibility		A - Net Income	B - Tax Withheld	C - Net Income	D - Tax Withheld	
1. Schedule C Pass-Through Entity (Taxed at _____ %) ..... (1)		00	00	00	00	
2. Schedule V Pass-Through Entity (Taxed at _____ %) ..... (2)		00	00	00	00	
3. Schedule W Pass-Through Entity (Taxed at _____ %) ..... (3)		00	00	00	00	
4. Schedule X Pass-Through Entity (Taxed at _____ %) ..... (4)		00	00	00	00	
5. Schedule Y Pass-Through Entity (Taxed at _____ %) ..... (5)		00	00	00	00	
6. Schedule Z Pass-Through Entity (Taxed at _____ %) ..... (6)		00	00	00	00	
7. Schedule AA Pass-Through Entity (Taxed at _____ %) ..... (7)		00	00	00	00	
8. Total (Add lines 1 through 7. Transfer to Part III, line 7. See inst.) .... (8)		00	00	00	00	



Rev. 06.23

Government of Puerto Rico  
Department of the Treasury

**INFORMATIVE RETURN – PASS-THROUGH ENTITY**

**OWNER'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 pass-through entity, as defined on Section 1010.01(a)(43) of the Puerto Rico Internal Revenue Code of 2011, as amended (hereinafter "Code"), and in Administrative Determination No. 22-10 (hereinafter "Pass-Through Entity") that is required to file a Pass-Through Entity Informative Income Tax Return must provide to each 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 - Owner'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, and a corporation and any of its shareholders, if they are subject to the provisions of Chapter 7 of Subtitle A of the Code.

**HOW TO FILE FORM 480.60 EC?**

Form 480.60 EC can only be filed electronically as indicated below:

- Forms 480.60 EC that are filed for the Informative Income Tax Return Pass-Through Entity (Form 480.20(EC)) can only be filed electronically using any program or application from a provider certified by the Department ("Certified Program"), as part of the filing process of said return.
- Forms 480.60 EC that are filed for the Pass-Through Entity Informative Income Tax Return - Composite (Form 480.10(SC)) or for the Income Tax Return Act 154-2010 (Form 480.20(U)) can only be filed electronically through the *Pass-Through Entity* tax account in the Internal Revenue Integrated System ("SURI", for its Spanish acronym) available free of charge through the following link: <https://suri.hacienda.pr.gov>.

For additional information related to Forms 480.60 EC that must be filed through a Certified Program or through SURI, refer to the Internal Revenue Informative Bulletin No. 22-08. For additional information related to the electronic filing of the Informative Income Tax Return Pass-Through Entity (Form 480.20(EC)) for taxable year 2022 together with the corresponding Forms 480.60 EC, refer to the Internal Revenue Circular Letter No. 23-06 ("IR CL 23-06").

**WHEN TO PROVIDE THE DECLARATION TO OWNERS?**

The entity has until the last day of the third month following the close of its taxable year to provide the informative return filed electronically to the owners. The informative returns may 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)), Pass-Through Entity Informative Income Tax Return - Composite (Form 480.10(SC)), or Income Tax Return Act 154-2010 (Form 480.20(U)), as applicable, by the due date to file the corresponding return.**

**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). Therefore, the entity does not have to request a different extension for the filing and delivery of such reports.

The 6-month period will be considered from the due date to file the return.

**ESTIMATED TAX PAYMENT ON OWNERS' DISTRIBUTABLE SHARE**

Section 1062.07 of the Code provides the requirements for the estimated income tax payments attributable to the owner's proportional share in a pass-through entity.

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 SURI.

Any balance not paid by the end of the entity's taxable year, must be paid electronically through SURI no later than the due date for filing the corresponding return. As provided on IR CL 23-06, for taxable year 2022, the due date for filing Form 480.20(EC) along with the respective Forms 480.60 EC is the last day of the 3rd month following the close of the taxable period. Therefore, any balance not paid at the end of the entity's taxable year 2022 must be paid no later than the last day of the third month following to the close of the taxable year.

For additional information regarding the process to make the estimated payment of the owner's distributable share, please refer to the IR CL 23-06.

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

The owner must include each one of the items indicated in his or her 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.

## 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 to each owner this informative return 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) – Pass-Through Entity Informative Income Tax Return – Composite
- Form 480.20(U) – *Income Tax Return 480.20(U) (Nonresident foreign corporations and pass-through entities subject to the effectively connected income source rules of Act 154-2010, as amended)*

### PART I – OWNER'S INFORMATION

Indicate on lines A through L, the information that describes what apply to the owner, as it corresponds.

**Line A** - Select one of the available options: managing partner, limited partner or unlimited partner.

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

**Line C** - Select the residence status of the owner for which the return is issued.

**Line D** - Indicate the share percentage of the owner in the profits and losses of the pass-through entity. The amount entered must be rounded to two decimal places.

**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 pass-through entity's debts attributable to the owner with respect to operations covered under Act 78-1993 and Act No. 52 of 1983.

**Line G** - Indicate the pass-through entity's merchant registration number.

**Line H** - Indicate if you are subject to Act 154-2010, as amended.

**Line I** - Indicate if the entity elected the optional tax of Section 1071.10 of the Code.

If the answer to this question is "Yes", the entity must report the income subject to tax under the provisions of Section 1071.10 of the Code and the corresponding optional tax on line 27, Part III of this Form. In this case, lines 1 through 16 of the "Amount" Column in Part III will be zero and it will only be allowed to enter the withholding on line 5, Part III of this form if the total withholdings exceed the optional tax determined on Schedule BB Pass-Through Entity.

**Line J** - Indicate if the owner submitted the sworn statement to exempt the entity from the obligation to withhold the tax provided in Section 1062.07 of the Code.

**Line K** - Indicate if the owner 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 L** - If the activities are covered by a tax exemption grant or decree, check the act that grants such exemption. If you checked the exemption under Act 14-2017, as amended, include the number of the decree that grants the owner a Qualified Physician status. If you select the box corresponding to Act 60-2019, you must include the Section of the Incentives Code under which the exemption benefit is claimed. 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 OWNER'S CAPITAL ACCOUNT

**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 an entity's debt assumed by an owner. A schedule detailing the nature of each item included on this line must be kept for your records. Also, if several items are included, you must provide to the owner a detail of the items included in this column.

**Column (c)** - Enter the owner's distributable share on the gains or losses from the entity during the taxable year. Transfer the amount included on line 5, Part II of the return. In the case of pass-through entities that choose the optional tax determined on Schedule BB Pass-Through Entity, you must include in this box the owner's distributable share on the gains or losses of the entity during the taxable year, even when no amount is reflected on line 5, Part III.

**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 R1 Individual, Part I, line 3(i).

**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 the owner. If several items are included, you must provide to the owner a detail of the items included in this column.

**Column (f)** - Enter the amount attributed to other decreases to the owner's basis in the entity. If several items are included, you must provide to the owner a detail of the items included in this column.

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.

Those expenses incurred by the entity that were not deductible for purposes of determining the net income from the entity's trade or business, as determined on line 4, Part XVII of the pass-through entity return, Form 480.20(EC), will also be included. You must provide to the owner a breakdown of the expenses of the applicable non-deductible items.

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

Enter on this line the owner's distributable share on the gain or loss from the sale or exchange of substantially all assets dedicated to an activity under Act 78-1993.

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

Enter on this line the owner's distributable share on the net gain or loss on the sale or exchange of property used in the business that is a capital asset.

#### 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, and therefore, not reported in a withholding statement.

Every compensation for services rendered by the owner to the entity shall be reported on this line 5(a). Therefore, the pass-through entity shall not use a Form 480.6SP to report these amounts.

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 R1 of its income tax return.

In the case of pass-through entities that choose the optional tax, enter zero on this line.

#### 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 partially exempt activities, such as operations under Act No. 52-1983, Act No. 47 of 1987, Act 78-1993, Act 165-1996, Act 74-2010 or Act 132-2010, included on Schedule L Pass-Through Entity.

#### 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 60-2019, as amended, 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).

This line summarizes all the transactions of income subject to preferential rates generated directly by the pass-through entity or

through subsidiary pass-through entities. The total included here may have both net income and net losses of pass-through entities. Therefore, it will be necessary to provide to the owner a detail with the basic information and a detail of income or loss reported here of each pass-through entity and subsidiary pass-through entity. In the case of an individual owner, the net income of each pass-through entity or subsidiary pass-through entity summarized on this line must be included on Schedule F Individual, Part V, Column F in order to determine the taxable portion to be transferred to Schedule A2 Individual, Columns E, F, G, and H, as applicable, to determine the income at the corresponding fixed tax rate. Losses reported by a pass-through entity or subsidiary pass-through entity will not be transferred to Schedule F Individual. The tax reported in the second Column 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 on line 14, Part I of the owner's corporation income tax return. The tax reported in the second Column 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%**

Enter on this line the total distributable share of the owner in the distributions of eligible dividends that were made by a corporation that are subject to the 15% rate, as defined in Section 1023.06 of the Code, together with the portion of the tax withheld.

In the case of an individual owner, 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).

**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 by the investment entity or deposits in cooperatives, savings associations authorized by the Federal Government or by the Government of Puerto Rico, commercial and mutual banks, or in bank type organizations located in Puerto Rico 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 pass-through entity owned by the entity**

The entity may own another pass-through entity. This entity will also be known as the Subsidiary Pass-Through Entity.

This line will reflect the owner's distributable share on income from the Subsidiary Pass-Through Entity attributable to the entity, as reported on the informative return, Form 480.60 EC received from said entity.

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

The entity may own another pass-through entity. This entity will also be known as the Subsidiary Pass-Through Entity.

This line will reflect the owner's distributable share on loss from the Subsidiary Pass-Through Entity attributable to the entity, as reported on the informative return, Form 480.60 EC received from said 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 18 - Exempt income**

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

**Line 19 - 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 20 - 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 owner level, are considered nondeductible for purposes of the alternate basic tax or alternative minimum tax, as applicable.

For these purposes, the amount determined on line 20, Part II of Form 480.20(EC) will be used as a basis, which at the same time is based on the amount determined on line 58, Part IX of the entity's return.

In the case of pass-through entities that choose the optional tax, enter zero on this line.

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

Enter here the owner's distributable share on any adjustment to the income of the entity that, at the entity's individual owner's level, is considered income subject to alternate basic tax. For more details, refer to Section 1021.02(a)(2) of the Code.

In the case of pass-through entities that choose the optional tax, enter zero on this line.

**Line 22 - 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.

In the case of entities that choose the optional tax, enter zero on this line.

**Line 23 – Charitable contributions**

Enter here the owner's distributable share on the total charitable contributions paid during the tax year, by the entity, to a nonprofit religious, charitable, scientific, literary, educational or museum 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 owner.

Enter here, also, the owner'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 owner;

- the Corporation of the Symphonic Orchestra of Puerto Rico; and
- the Fund for Services Against Remediable Catastrophic Illnesses.

Also include the owner'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 is 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 24 - Volume of business**

Enter here the owner's distributable share on the entity's total volume of business for purposes of determining the requirement to file financial statements, as determined on line 24, Part II of Form 480.20(EC).

**Line 25- Pass-through entity's gross income**

Enter here the owner's distributable share on the entity's gross income. Remember that the gross income to be distributed among the owners will be determined as follows:

Description	Reference in Return	Amount
Gross operating income	Line 23, Part VIII of the return	
Less: Distributable share on net income of pass-through entities	Line 13, Part VIII of the return	
Plus: Net exempt income	Line 21 less line 16, Part II, Schedule IE Pass-Through Entity	
<b>Pass-through entity's gross income .....</b>		

**Line 25(a) - Gross income from services rendered**

Enter the owner's share of the total gross income of the pass-through entity that comes from services rendered as determined on line 25(a), Part II of Form 480.20(EC).

**Line 26 - Gross income of subsidiary pass-through entities**

Enter the owner's distributable share on gross income reported by the subsidiary pass-through entity, as such term is defined on lines 14 and 15 of this Part III.

The amount to be distributed among the owners will be determined by adding the business gross income reported on line 25 of all Forms 480.60 EC issued by subsidiary pass-through entities and included as part of this return.

Said gross income is related to any distributable share of the owner in the gains or losses from subsidiary pass-through entities that, with the exception of the cases in which the entity chose the optional tax, would be reported on lines 14 and 15 of this Part III.

**Line 26(a) - Gross income from services rendered**

Enter the owner's distributable share on gross income from services rendered, as reported by the subsidiary pass-through entity, as such term is defined on lines 14 and 15 of this Part III.

The amount to be distributed among the owners will be determined by adding the gross income reported on line 25(a) of all Forms 480.60 EC issued by subsidiary pass-through entities and included as part of this return.

Said gross income is related to a distributable share of the owner in the gains or losses from subsidiary pass-through entities that, with the exception of the cases in which the entity chose the optional tax, would be reported on lines 14 and 15 of this Part III.

**Line 27 - Optional tax (Section 1071.10 of the Code)**

Enter here the owner's distributable share on gross income for which the pass-through entity elected and paid the optional tax of Section 1071.10 of the Code. This amount will constitute an exclusion from gross income and will only be considered to determine the tax basis of the owner in the entity.

If the pass-through entity did not indicate in question I of the questionnaire that is electing the optional tax, no information will be entered on this line.

In the case that the pass-through entity has elected to pay the optional tax, the taxable gross income will be reported on this line. Therefore, lines 1 to 16 of the "Amount" Column will be zero and it will only be allowed to enter withholding on line 5, Part III of this form if the total withholdings exceed the optional tax determined on Schedule BB Pass-Through Entity. In these cases, the partner may claim the withholdings reported on line 5, Part III when preparing his or her return, even if no amount is presented in the first column.

In those cases where the pass-through entity elected to benefit from the Optional Tax and pay such 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 return of the owner of the pass-through entity. Likewise, the tax withheld reflected in this line should not be included in the owner's return. Furthermore, in these cases when the partner is an individual, he or she **cannot** use the amount reported on this line to determine the mortgage interests deduction limit.

**PART IV – NONRESIDENT ALIENS OWNERS**

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**

Act 52 of June 30, 2022 ("Act 52-2022") enacted Section 1051.16 of the Code which grants authority to the Secretary to create the "Tax Credits Manager" ("TCM") as part of the Department's electronic system. According to Administrative Determination No. 22-11 ("AD 22-11"), issued by the Department on December 22, 2022, the TCM implementation date for purposes of determining the Pre-TCM credits and Post-TCM credits, was January 1st, 2023.

In this part, you must include any balance of tax credit that the entity has for distribution to its owners. Use the corresponding line of the

column identified "A-Pre-Tax Credits Manager" to include the distributable share of the owner in the balance of Pre-TCM Credits of the pass-through entity to be distributed to the owners. On the other hand, use the corresponding line of the column identified "B-Post-Tax Credits Manager" to include the distributable share of the owner in the balance of Post-TCM Credits of the pass-through entity to be distributed to the owners.

In addition, specifically in the case of Post-TCM credits, the pass-through entity will be responsible for making the transfer of the balances of tax credits in the TCM on behalf their owners, as it corresponds, in order that the owners may claim the credits on their returns. However, in the case of transfers of tax credits from chains of pass-through entities and similar structures that require more than one transfer, you must refer to the Internal Revenue Circular Letter No. 23-02 ("IR CL 23-02").

For additional information on the TCM, refer to AD 22-11, IR CL 23-02 and future publications that will be issued by the Department.

The following credits may be claimed subject to the rules of use established by the special law under which they were granted and the applicable provisions of the Code. However, credits under Section 1051.12(a)(4), (5) and (7) of the Code will be subject to the limitation of use provided in Section 1051.13 of the Code.

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

Enter in the corresponding column 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 investment in housing infrastructure (Act 98-2001, as amended)**

Enter in the corresponding column 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 3 - Credit for the investment in the acquisition, construction or rehabilitation of affordable rental housing to the elderly (Chapter 2 of Act 140-2001, as amended)**

Enter in the corresponding column the owner's distributable share in the amount of credit for investment in the acquisition, construction or rehabilitation of affordable rental housing projects for the elderly.

Chapter 2 of Act 140-2001 provides that every owner of an affordable rental housing project for the elderly 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 4 - Credit for construction investment in urban centers (Act 212-2002, as amended)**

Enter in the corresponding column 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 the taxpayer's request and the approval by the Secretary of an administrative determination.

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, as amended)**

Enter in the corresponding column 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 the Secretary.

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 the purchase of tax credits**

Enter in the corresponding column the owner's distributable share on the tax credits subject to limitation 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 7 - Other credits subject to limitation not included on the preceding lines**

Enter in the corresponding column the owner's distributable share in the total amount of other credits subject to limitation 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 THE LIMITATION PROVIDED UNDER SECTION 1051.13 OF THE CODE**

**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 in the corresponding column the owner's distributable share on the tax withheld at source to the entity on dividends from Industrial Development Income.

**Line 9 - Credit for investment in Film Industry Development (Act 27-2011)**

Enter in the corresponding column 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 10 - Credit for the purchase or transmission of television programming made in P.R. (Section 1051.14)**

Enter in the corresponding column 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 11 - Credit for contributions to former governors' foundations**

Enter in the corresponding column 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 cannot exceed \$500,000 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; 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 12 - Credit for contributions to Santa Catalina's Palace Patronage and/or Patronage of the State Capitol of the Legislative Assembly**

Act 52-2022 amended Section 1051.06 of the Code to establish that the credit for contributions to Santa Catalina's Patronage and/or Patronage of the State Capitol of the Legislative Assembly is not available for taxable year 2022 and thereafter.

**Line 13 - Credit for investment (Section 6 of Act 73-2008)**

Enter in the corresponding column 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 14 - Credit for investment in opportunity zones (Act 60-2019)**

Enter in the corresponding column 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 will be taken in four (4) installments: 25% in the year in which the exempt business completed construction or when the exempt business started operations, whichever is later, and 25% of the balance of said credit 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.

For additional details, refer to Act 60-2019.

**Line 15 - Credit for the purchase of tax credits**

Enter in the corresponding column the owner's distributable share in the tax credits not subject to limitation 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 16 - Other credits not subject to limitation not included on the preceding lines**

Enter in the corresponding column the owner's distributable share in the total amount of other credits not subject to limitation 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 totalize the items in one column and keep for your records a schedule detailing the net income and tax paid information per 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 in the corresponding column 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 8 and 19 to Part V of this Informative Return 480.60 EC, lines 6 and 15, respectively.

For additional details in the case of purchase of Post-TCM credits, refer to AD 22-11, IR CL 23-02 and future publications that will be issued by the Department.

**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 those cases in which the entity operates with a tax exemption grant under the Puerto Rico tax incentives acts.

Also indicate the owner's distributable share on gross income and tax withheld on income earned through of subsidiary pass-through

entities, as reported on lines 1 through 7, Columns C and D, Part VIII of Form 480.60 EC received by the pass-through entity.

In the Columns for "Net Income" and "Tax Withheld" you must indicate the owner's attributable amount from Schedules CI, V, W, X, Y, Z and AA Pass-Through Entity, Part XIII of Form 480.20(EC), as applicable. Also, specify the applicable tax rate in the spaces provided for this purpose on lines 1 through 7.

The total tax withheld indicated on line 8 of this part, must have been paid by the entity on behalf of its owners.

In case the result of more than one operation subject to a preferential rate is included on the same schedule, or the distributable share on net income (or loss) subject to a preferential rate of two or more subsidiary pass-through entities, the pass-through entity must prepare and deliver to the owner a detail including the case number, the owner's distributable share on the net income (or loss) subject to preferential rate, and the preferential rate of each operation covered by an exemption decree under the Puerto Rico tax incentives acts.