

Part II		Income, Dues, Contributions, etc.							
Income, Dues, Contributions, Etc.	1.	Dues, assessments, etc. from members, excluding services and other charges properly included on line 17. (See instructions Parts II and III)	(1)			00			
	2.	Dues, assessments, etc. from affiliated organizations (See instructions Parts II and III)	(2)			00			
	3.	Legislative grants and contributions	(3)			00			
	4.	Contributions, gifts, grants, etc. received (See instructions Parts II and III)	(4)			00			
	5.	Patronage dividends (or patronage refund) received (See instructions Parts II and III)	(5)			00			
	6.	Income from fundraising activities	(6)			00			
	7.	Other non-cash contributions	(7)			00			
	8.	Total of income, dues, contributions, etc. (Add lines 1 through 7. Transfer this amount to line 8 of Part I)	(8)			00			
Program Service Revenues	9.	Income from Program Services carried out by the organization (Submit detail if you need additional lines)							
	(a)	..... (9a)			00			
	(b)	..... (9b)			00			
	(c)	..... (9c)			00			
	(d)	..... (9d)			00			
	(e)	..... (9e)			00			
(f)	Total income from Program Services carried out by the organization (Add lines 9(a) through 9(e). Transfer this amount to line 9 of Part I)	(9f)			00				
Investment Income	10.	Interests	(10)			00			
	11.	Dividends	(11)			00			
	12.	Gains (losses) from the sale of capital assets (Submit Schedule D Corporation)	(12)			00			
	13.	Exempt income (Submit Schedule IE Corporation)	(13)			00			
14.	Total investment income (Add lines 10 through 13. Transfer this amount to line 10 of Part I)	(14)			00				
Other Income	15.	(a)Gross rents	(15a)		00				
	(b)Less: Rental expenses	(15b)			00				
	(c)Income (loss) from rent activities	(15c)			00				
	16.	Royalties	(16)			00			
	17.	Gross income from commercial activities including the exempt income from a registered investment company or real estate investment trust (Specify which)	(17)			00			
18.	Miscellaneous income (Submit detail)	(18)			00				
19.	Total other income (Add lines 15(c) through 18. Transfer this amount to line 11 of Part I)	(19)			00				
20.	Total income (Add lines 8, 9(f), 14 and 19)	(20)			00				
Part III		Disposition of Income, Dues, Contributions, etc. (See inst.)				(A) Program Services	(B) Fundraising	(C) Generals and Administrative	(D) Total
Declared Income Related Expenses	21.	Compensation to officers, directors, trustees and key employees (Complete Part V)	(21)	00	00	00	00		
	22.	Salaries, wages and commissions to employees. Number of employees <input type="text"/>	(22)	00	00	00	00		
	23.	Interests	(23)	00	00	00	00		
	24.	Taxes (Such as property, income, social security, unemployment, etc.)	(24)	00	00	00	00		
	25.	Rents	(25)	00	00	00	00		
	26.	Professional services	(26)	00	00	00	00		
	27.	Depreciation	(27)	00	00	00	00		
	28.	Dues, assessments, etc. to affiliated organizations	(28)	00	00	00	00		
	29.	Miscellaneous expenses (Submit detail)	(29)	00	00	00	00		
	30.	Total expenses related with the declared income (Add lines 21 through 29. Transfer the total of Column (D) to line 13 of Part I)	(30)	00	00	00	00		
Contributions	31.	Contributions, gifts and grants paid (Include the name and social security number to whom they were paid). Submit detail if you need additional lines.							
	(a) (31a)		00	00	00	00		
	(b) (31b)		00	00	00	00		
	(c) (31c)		00	00	00	00		
(d)	Total contributions, gifts and grants paid (Add lines 31(a) through 31(c). Transfer to line 14 of Part I)	(31d)		00	00	00	00		
Other Payments	32.	Benefits paid to members or their dependents:							
	(a)	Death, sickness, hospitalization, disability, life insurance or pensions benefits	(32a)				00		
	(b)	Other benefits	(32b)				00		
	33.	Additions to surplus and reserves (Submit itemized schedule)	(33)				00		
34.	Total other expenses (Add lines 32 and 33. Transfer to line 16 of Part I)	(34)				00			
35.	Total Expenses (Add lines 30, 31(d) and 34)	(35)				00			
36.	Excess (deficit) for the year (Subtract line 35 from line 20)	(36)				00			
37.	Fund balance at the beginning of the year	(37)				00			
38.	Other changes in the fund's balance (Submit detail)	(38)				00			
39.	Fund balance at the end of the year	(39)				00			

Part IV		Balance Sheet					
		Beginning of the year			Ending of the year		
		Total			Total		
Assets							
1. Cash	(1)		00			00	
2. Notes and accounts receivable	(2)	00			00		
Less: Reserve for bad debts		(00)	00	(00)		00	
3. Inventories	(3)		00			00	
4. Investments in governmental obligations	(4)		00			00	
5. Investments in non-governmental funds	(5)		00			00	
6. Investments in corporate stocks (See instructions Part IV)	(6)		00			00	
7. Other investments (Submit detail)	(7)		00			00	
8. Capital assets:							
(a) Depreciable or depletable assets (Subm item ized schedule)	(8a)	00			00		
Less: Reserve for depreciation (or depletion)		(00)	00	(00)		00	
(b) Land	(8b)		00			00	
9. Other assets (Itemize)	(9)		00			00	
10. Total Assets	(10)		00			00	
Liabilities							
11. Accounts payable	(11)	00			00		
12. Bonds, notes and mortgages payable							
(a) with original maturity date of less than 1 year	(12a)	00			00		
(b) with original maturity date of 1 year or more	(12b)	00			00		
13. Other liabilities (Submit detail)	(13)	00			00		
14. Total Liabilities	(14)		00			00	
Stockholder's Equity							
15. Capital stock							
(a) Preferred stocks	(15a)	00			00		
(b) Common stocks	(15b)	00			00		
16. Membership certificates	(16)	00			00		
17. Paid-in capital or capital surplus (donated capital if a trust)	(17)	00			00		
18. Surplus reserves (Itemize)	(18)	00			00		
19. Earned surplus and undivided profits	(19)	00			00		
20. Total Stockholder's Equity	(20)		00			00	
21. Total Liabilities and Stockholder's Equity	(21)		00			00	

Part V		List of Officers, Directors or Key Employees					
Name and title	Social security number	Number of weekly hours dedicated to the institution	Compensation	Contributions to pension or deferred compensation plans		Allowances or expenses account	
				00	00	00	
				00	00	00	
				00	00	00	
				00	00	00	
				00	00	00	
				00	00	00	
				00	00	00	
				00	00	00	
				00	00	00	
				00	00	00	

Part VI Compensation in Excess of \$5,000 Paid to Independent Contractors for Professional Services			
Name and address	Social Security or employer identification number	Type of service	Compensation
			00
			00
			00
			00
			00

Part VII Questionnaire

Section A. Board of Director and Management

	Yes	No
1. (a) Indicate the number of members with voting rights in the board of directors at the end of the taxable year (1a) (If there is a significant difference in the voting rights among the members of the board of directors, or if board of directors delegates sufficient authority to an executive committee or to a committee of similar nature, submit explanation)		
(b) Provide the number of members with voting rights included in line 1(a), above, who are independent (1b)		
2. Indicate if any officer, director, trustee or key employee keep a familiar or commercial relation with any other officer, director or key employee (2)		
3. Indicate if the organization delegates the control of the entity management aspects, customarily performed by and under the direct supervision of officers, directors, trustees or key employees, to management companies or other person outside the entity (3)		
4. Indicate if the organization made significant changes to the entity's constitutive documents after the filing of the informative return for income tax exempt organizations corresponding to the previous taxable year (4)		
5. Indicate if the organization became aware during the year of a significant diversion of the organization's assets (5)		
6. Does the organization have members or stockholders? (6)		
7. (a) Does the organization have members, stockholders or other persons with power to elect or appoint one or more members of the board of director? (7a)		
(b) Are any management decision reserved to (or subject to approval by) members, stockholders or persons other than the board of directors? (7b)		
8. Indicate if the organization contemporaneously documents the meetings or actions undertaken during the year by the following: (a) The boards of directors (8a)		
(b) Each committee with authority to act in representation of the board of directors (8b)		
9. Indicate if there is any director, officer, trustee or key employee that cannot be reached at the entity's electronic mail address (If the answer is "Yes", provide the name and electronic mail address) (9)		

Section B. Organization's Policies

10. (a) Indicate if the organization has local chapters, branches or affiliates (10a)		
(b) If "Yes", indicate if the organization has written policies and procedures that govern the activities of such chapters, affiliates and branches to ensure that its operations are consistent with the organization's exempt purposes (10b)		
11. (a) Indicate if the organization provided a complete copy of this Form 480.70(OE) to all members of the board of directors before filing the form (11a)		
(b) Describe the process, if any, used by the organization to review Form 480.70(OE):		
12. (a) Indicate if the organization has a written conflict of interest policy (12a)		
(b) Indicate if the officers, directors, trustees and key employees are required to annually disclosed interests that could give rise to conflicts with the organization (12b)		
(c) Indicate if the organization regularly and consistently monitors and enforces the compliance of these policies. If "Yes", provide examples of how this monitoring is performed (12c)		
13. Indicate if the organization has a written whistleblowing policy (13)		
14. Indicate if the organization has a written document retention and destruction policy (14)		
15. Indicate if the process for determining compensation of the following persons includes the review and approval by independent persons, the revision of comparative information, and contemporaneous substantiation of the deliberation: (a) The organization's Chief Executive Officer (CEO), Executive Director and top management officials (15a)		
(b) Other officers and key employees of the organization (15b) (If "Yes", describe the process to determine the compensation of these officers)		
16. (a) Indicate if the organization invests in, contributes assets to, or participates in a joint venture or similar arrangement with a taxable entity during the year (16a)		
(b) If "Yes", indicate if the organization follows a written policy or procedure requiring the evaluation of the participation in joint venture arrangements under the applicable tax law, and takes steps to safeguard the organization's exempt status with respect to such arrangements (16b)		

Section C. Other Information

Yes No

- 17. If you do not have the case number, did you request the exemption under Section 1101.01 of the Code? If "Yes", indicate the date requested and the paragraph of Section 1101.01 under which you requested it: _____ (17)
- If you have not requested tax exemption, do not complete this form. You must file Form 480.20 (Corporation Income Tax Return).
- 18. Indicate if the organization have an administrative opinion under which the tax exemption was granted with special conditions (Submit copy) .. (18)
- 19. Indicate if the organization have exemption under the Federal Internal Revenue Code. If "Yes", indicate the date it was granted (Submit copy): _____ (19)
- 20. Has the organization been audited or is currently under investigation by the Department of the Treasury? (20)
- 21. The books are in care of _____

Address: _____

22. Accounting method used:

- Cash
- Accrual
- Other(s)

If you checked other(s) explain: _____

- 23. (a) During this year, did the organization derived income from unrelated activities? (23a)
- (b) If "Yes", did you include the duly completed Schedule A Exempt Organization with this return? (23b)
- Indicate the unrelated business activities, the NAICS code and the merchant's registration number, if applicable, of such activities. In addition, indicate the purpose of such activities in the organization. Submit detail, if you need additional space.

- 24. (a) Indicate if the organization have employees (24a)
- (b) If "Yes", did you file the Withholding Statements (Forms 499R-2/W-2PR or 499R-2c/W-2cPR)? (24b)
- 25. (a) Indicate if the organization have contracted professional services (25a)
- (b) If "Yes", did you file the Informative Returns (Forms 480.5, 480.6A, 480.6B, 480.6C)? (25b)
- (c) Have you made any withholding at source? (25c)
- (d) If "Yes", indicate the tax rate applied: _____
- 26. (a) Indicate if you made payments to entities not engaged in trade or business in Puerto Rico (26a)
- (b) If "Yes", have you made the withholding at source? (26b)

27. If the organization is exempt under Section 1101.01(10) of the Code, indicate the name of the organization that holds the title of the property: _____

28. Indicate if the organization is a successor from another organization that previously existed (28)

Name of the previous organization: _____
Address: _____

- 29. Indicate if the organization leased real property to (or) from other person or groups of persons related to the organization (29)
- 30. Indicate the number of members or participants _____
- 31. Indicate if the organization is in good standing with the filing of the Department of State's Annual Reports (31)
- 32. (a) Indicate if during the taxable year the organization established or discontinued any Program Service (32a)
- (b) If "Yes", did you notify the same to the Department of the Treasury? Indicate the notification date _____ (32b)
- 33. Indicate whether the organization had any changes in the type of income, character, purpose for which it was organized or form of operating, that has not been previously informed to the Secretary of the Department of the Treasury (Submit detail of the changes) (33)
- 34. Indicate if during the year the organization was liquidated, dissolved or finished (34)
- If "Yes", submit detail and a copy of the Department of the State's dissolution.
- 35. Indicate whether the organization is controlled, or if it controls another institution (35)
- If "Yes", indicate the name and the employer identification number of said institution: _____
- 36. Indicate if any entity withheld income tax at source to the organization on any payment for services rendered during the taxable year. If "Yes", include such amount in line 23(a) of Part I and include the corresponding Informative Return with this return (36)

Schedule A Exempt Organization

Rev. 04.17



TAX COMPUTATION ON THE NET UNRELATED BUSINESS INCOME (OR LOSS)

20

TAXABLE YEAR BEGINNING ON _____ AND ENDING ON _____

A

Taxpayer's name		Employer's Identification Number
Name of industry or business		Merchant's Registration Number

Part I Determination of the Net Unrelated Business Income (or loss)

1. Net sales of goods or products (See instructions)	(1)		00
Less: Cost of goods sold or costs of production			
2. Inventory at the beginning of the year	(2)		00
3. Purchase of materials or merchandise	(3)		00
4. Direct wages	(4)		00
5. Other direct costs (From Part V, line 13)	(5)		00
6. Total cost of goods available for sale (Add lines 2 through 5)	(6)		00
7. Less: Inventory at the end of the year	(7)		00
8. Total cost of goods sold or direct costs of production (Subtract line 7 from line 6)	(8)		00
9. Gross profit on sales of goods or products (Subtract line 8 from line 1)	(9)		00
10. Gross income on sales of services	(10)		00
11. Rent income	(11)		00
12. Miscellaneous income (Submit detail)	(12)		00
13. Total income (Add lines 9 through 12)	(13)		00
14. Total deductions (From Part IV, line 18)	(14)		00
15. Net unrelated business income (or loss) (Subtract line 14 from line 13)	(15)		00

Part II Determination of the Net Income Subject to Tax

16. Less: Net operating loss deduction from preceding year (See instructions)	(16)		00
17. Net unrelated business income (or loss) before the deduction for dividends or benefits received from domestic corporations (Subtract line 16 from line 15 of Part I. If line 15, Part I is less than line 16, enter zero)	(17)		00
18. Less: Dividends or benefits received from domestic corporations (See instructions)	(18)		00
19. Net unrelated business income (or loss) before the specific deduction (Subtract line 18 from line 17. If the result is less than zero, enter zero)	(19)		00
20. Less: Specific deduction (See instructions)	(20)		00
21. Net unrelated business income subject to normal tax (Subtract line 20 from line 19. If the result is less than zero, enter zero)	(21)		00
22. Less: Surtax deduction (See instructions)	(22)		00
23. Net income subject to surtax (Subtract line 22 from line 21. If the result is less than zero, enter zero)	(23)		00

Part III Computation of Tax

If taxable organization at corporate rates, complete line 24 and leave line 25 in blank. Otherwise, complete line 25 and leave line 24 in blank.

24. Charitable and other organizations taxable at corporate rates (See instructions)			
(a) Normal tax (See instructions)	(24a)		00
(b) Surtax (See instructions)	(24b)		00
(c) Tax determined before the credit for taxes paid to the United States, its possessions and foreign countries (Add lines 24(a) and 24(b))	(24c)		00
(d) Credit for taxes paid to foreign countries, the United States, its territories and possessions (Submit Schedule C Corporation)	(24d)		00
(e) Tax determined before the alternative minimum tax (Subtract line 24(d) from line 24(c))	(24e)		00
(f) Alternative minimum tax in excess of the regular tax (Submit Schedule A Corporation)	(24f)		00
(g) Tax determined (Add lines 24(e) and 24(f). Transfer the result to line 22 of Part I of the Return)	(24g)		00
25. Charitable and other purposes trusts (See instructions)			
(a) Normal tax (See instructions)	(25a)		00
(b) Gradual Adjustment amount (Submit Schedule P Individual)	(25b)		00
(c) Regular tax before the credit for taxes paid to United States, its possessions and foreign countries (Add line 25(a) and 25(b))	(25c)		00
(d) Credit for taxes paid to foreign countries, the United States, its territories and possessions (Submit Schedule C Individual)	(25d)		00
(e) Tax determined (Subtract line 25(d) from line 25(c). Transfer the result to line 22 of Part I of the Return)	(25e)		00

Part IV		Deductions	
1.	Compensation to officers, directors and key employees (From Part VI)	(1)	00
2.	Salaries, commissions and bonuses to employees	(2)	00
3.	Federal Social Security (FICA)	(3)	00
4.	Unemployment tax	(4)	00
5.	State Insurance Fund premiums	(5)	00
6.	Medical or hospitalization insurance	(6)	00
7.	Other insurances	(7)	00
8.	Interests	(8)	00
9.	Professional services	(9)	00
10.	Contributions to pension or other qualified plans (Submit Form AS 6042.1)	(10)	00
11.	Depreciation and amortization (Submit Schedule E)	(11)	00
12.	Bad debts (See instructions)	(12)	00
13.	Charitable contributions (See instructions)	(13)	00
14.	Repairs and maintenance	(14)	00
15.	Utilities	(15)	00
16.	Office supplies	(16)	00
17.	Other deductions (Submit detail)	(17)	00
18.	Total deductions (Add lines 1 through 17. Transfer to Part I, line 14)	(18)	00

Part V		Other Direct Cost					
Item		Amount		Item		Amount	
1.	Salaries, wages and bonuses	(1)	00	9.	Rent	(9)	00
2.	Social security tax (FICA)	(2)	00	10.	Cleaning, maintenance and waste collection	(10)	00
3.	Unemployment tax	(3)	00	11.	Depreciation and amortization (Submit Schedule E) ..	(11)	00
4.	State Insurance Fund premiums	(4)	00	12.	Other expenses (Submit detail)	(12)	00
5.	Medical or hospitalization	(5)	00	13.	Total other direct costs (Add lines 1 through 12. Same as Part I, line 5)	(13)	00
6.	Other insurances	(6)	00				
7.	Repairs	(7)	00				
8.	Utilities	(8)	00				

Part VI		Compensation to Officers, Directors and Key Employees Attributable to the Unrelated Business Income					
Name and title		Social security number		Percentage of the time dedicated to the unrelated business income		Compensation attributable to the unrelated business income	
					%		00
					%		00
					%		00
					%		00
					%		00
					%		00
					%		00
					%		00
Total compensation to officers, directors and key employees attributable to the unrelated business income (Transfer to Part IV, line 1)							00



GOVERNMENT OF PUERTO RICO
DEPARTMENT OF THE TREASURY

Informative Return for
Income Tax Exempt Organizations

Form 480.70 (OE)

GENERAL INSTRUCTIONS

Rev. 04.17

WHO MUST FILE THIS RETURN?

In general terms, **every** income tax exempt organization ("Nonprofit Organization") under Section 1101.01 of the Puerto Rico Internal Revenue Code of 2011, as amended ("Code"), must file the Informative Return for Income Tax Exempt Organizations (Form 480.70(OE)). Nevertheless, the following Nonprofit Organizations will not have to file this form:

- (1) A religious organization exempt under Section 1101.01(a) of the Code.
- (2) An exempt organization under Section 1101.01 of the Code, if such organization is a corporation wholly owned by the Government of Puerto Rico or any agency or instrumentality thereof, or a wholly owned subsidiary of such corporation.
- (3) A tax-exempt employees' Trust (Retirement Plan) under Section 1081.01 of the Code. These plans must comply with the dispositions of Administrative Determination No. 16-05 regarding the filing of Form AS 6042.1 "Deduction for Contributions to Qualified Retirement Plans and Tax on Certain Contributions".

WHEN AND WHERE TO FILE THIS RETURN?

This return shall be filed not later than the 15th day of the fourth month following the close of the Nonprofit Organization's taxable year. For example, a Nonprofit Organization which accounting year is a natural year (ending on December 31, 2016) must file the return not later than April 18, 2017.

The return must be filed at the Department of the Treasury, Returns Processing Bureau, 10 Paseo Covadonga, Intendente Ramírez Building in Old San Juan, or mailed to:

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

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

AUTOMATIC EXTENSION TO FILE THE RETURN

A three (3) month automatic extension of time to file the return will be granted if it is requested not later than the due date to file said return. For this purpose you must use Form AS 2644.

An extension of time to file the return does not extend the time for the payment of the tax, if any, corresponding to the unrelated business net income of the Nonprofit Organization.

GENERAL INFORMATION

The registered investment companies will be tax-exempt as long as they comply with the requirements established in Section 1112.01(a)(2) of the Code. In addition, the real estate investment trusts are tax-exempt only with respect to the income derived from: (a) interests received from liabilities secured by real estate mortgages; (b) interests, commissions, service charges, etc., related to the financing of such real estate. Consequently, registered investment companies as well as real estate trusts, must file the Corporation Income Tax Return (Form 480.20).

TECHNICAL ASSISTANCE

For additional information on the technical content of this booklet or to clarify any doubts, please call (787) 722-0216, option number 8 in the directory.

**SCHEDULES TO COMPLETE THE INFORMATIVE RETURN FOR
INCOME TAX EXEMPT ORGANIZATIONS**

The following schedules with their corresponding instructions are available at the Department of the Treasury's website: www.hacienda.pr.gov.

Schedule A Corporation – Alternative Minimum Tax

Schedule C Individual – Credit for Taxes Paid to Foreign Countries, the United States, its Territories and Possessions

Schedule C Corporation – Credit for Taxes Paid to Foreign Countries, the United States, its Territories and Possessions

Schedule D Corporation – Gains and Losses from Sale or Exchange of Property

Schedule E – Depreciation

Schedule IE Corporation - Excluded and Exempt Income

Schedule P Individual – Gradual Adjustment

Form AS 6042.1 - Deduction for Contributions to Qualified Retirement Plans and Tax on Certain Contributions

INSTRUCTIONS TO COMPLETE THE INFORMATIVE RETURN FOR INCOME TAX EXEMPT ORGANIZATIONS

HEADING OF THE FORM

Enter the date in which the nonprofit organization's taxable year begins and ends.

Enter in the corresponding space, the name and the postal and physical address of the organization. Identify the type of organization, the Department of the State registry number, the date and place of incorporation, if applicable.

Enter the employer identification number. This number is required to process the return.

It is important that you provide the merchant's registration number at the Department of the Treasury. Also, you must indicate the case number, the paragraph of Section 1101.01 of the Code under which the exemption was granted and the date of the letter issued by the Department of the Treasury granting the exemption.

Indicate the type of activities carried out by the organization and the date in which the operations began.

PART I – SUMMARY

Line 1 – Briefly summarize the organization's mission and the most significant activities and programs

Summarize the organization's mission. Also, you must indicate the most significant activities and programs carried out by the organization during the taxable year. Include a schedule if you need additional space.

Line 2 – Check here if you submitted copy of the income statement for the taxable year

Every organization to which a tax exemption under Section 1101.01 of the Code was granted, must annually submit to the Tax Policy Area of the Department of the Treasury, a copy of the income statement as well as any other additional information that is required by the Secretary, even if the organization does not have the obligation to file an annual informative return.

Check the corresponding box if at the time to file this return, the organization complied with the requirement to submit copy of the income statement for the taxable year for which this return is being filed.

Line 3 – Number of members with voting rights in the board of directors of the entity

Enter the number of members with voting rights in the board of directors at the end of the taxable year. This number must be the same as the one indicated in Part VII, line 1(a) of the return.

Line 4 - Number of independent members with voting rights in the board of directors

Enter the number of members with voting rights in the board of directors from question 3 of this Part I, that are considered independent. This number must be the same as the one indicated in Part VII, line 1(b) of the return.

Line 5 - Number of individuals employed during the current taxable year

Enter the number of individuals that were hired as employees by the organization during the taxable year.

Line 6 - Total number of volunteers during the current taxable year

Enter the number of full-time and part-time volunteers, that provided voluntary service to the organization during the taxable year.

Line 7 - Indicate the total unrelated business income of the exempt organization, if applicable

If during the taxable year, the organization derived unrelated business income, you must indicate in this line the amount of such gross income. Also, you must

complete and submit Schedule A Exempt Organization, to inform such income and calculate the corresponding income tax, if any.

The term "unrelated business income" means the gross income derived by any Nonprofit Organization from any trade or business which is not substantially related to the exercise and performance of the charitable, educational, or other purpose or function for which the tax exemption under Section 1101.01 of the Code was granted. For additional information regarding the definition of the unrelated business income, please refer to Sections 1102.02 and 1102.03 of the Code.

Lines 8 through 12 – Income

Transfer to these lines the income informed in Part II, page 2 of the return, as applicable.

Lines 13 through 18 – Expenses

Transfer to these lines the expenses informed in Part III, page 2 of the return, as applicable.

Lines 19 through 21 – Net Assets

Determine the total net assets by transferring the total assets and liabilities from the financial statements included in Part IV, page 3 of the return.

Line 23 – Payments, withholdings and credits

Enter on line 23(a) the total tax withheld at source, as informed in all the Forms 480.6B (Informative Return – Income Subject to Withholding) issued to the organization.

Enter on line 23(b) the total of other payments, withholdings, and credits not included in a Form 480.6B. Submit with the return a schedule itemizing the withholdings or any other payment made during the taxable year. Also, you must submit with the return, the corresponding evidence of the withholdings or payments claimed in this line.

In case of credits, you must include in the detail the type of credit claimed and the evidence that support the concession or purchase of the tax credit.

On line 23(c) you must totalize the payments, withholdings and credits included on lines 23(a) and 23(b).

SIGNATURE AND OATH OF THE RETURN

The return must be signed under penalty of perjury, by the president, vice president or other officer authorized to sign. A depository, trustee or syndic must sign any return required to be filed on behalf of a corporation.

The officer signing the return must indicate in legible print the title of the position occupied in the organization by him/her and the date the return was signed.

PAYMENTS FOR THE PREPARATION OF THE RETURN

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

The specialist must declare under penalty of perjury that he/she examined the return, and to the best of his/her knowledge and belief, the return is correct and complete.

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

PARTS II AND III – INCOME, DUES, CONTRIBUTIONS, ETC. AND DISPOSITION OF THE INCOME, DUES, CONTRIBUTIONS, ETC.

In all cases where the amount on line 1 or 2 of Part II includes money or property of \$3,000 or more, and lines 3 through 7, 10 through 13 or 15 through 18 of Part II include money or property of \$1,000 or more, received directly or indirectly from one person, in one or more transactions during the year, there shall be detailed schedules included indicating the amount received and the name and address of each one of those persons. The term “person” include individuals, trusts, partnerships, corporations, associations and other organizations.

If the organization have a pension or deferred compensation plan approved by the Secretary, it must submit with this return the duly completed Form AS 6042.1 “Deduction for Contributions to Qualified Retirement Plans and Tax on Certain Contributions”.

Line 9 - Income from Program Service carried out by the organization

In lines 9(a) through 9(e), you must specify separately the income earned during the taxable year corresponding to each one of the service programs carried out by the organization. Include a schedule itemizing the required information in case you need additional space and include such total on line 9(e). Totalize the income reported on lines 9(a) through 9(e) on line 9(f). Transfer the total of line 9(f) to line 9 of Part I.

Lines 21 through 30 - Indicate the expenses related with the declared income. You must segregate each item of expenses among those incurred by the program services (Column A), those incurred for fundraising (Column B), and general and administrative expenses of the organization and any other that is not related to service programs or to fundraising (Column C), in Columns (A), (B) and (C), as applicable. Totalize the expenses of Columns (A), (B) and (C) in Column (D).

Line 21 - Compensation to officers, directors, trustees and key employees occupying key positions

Indicate the total compensation paid or accumulated during the taxable year to officers, directors, trustees and key employees in the organization. You must complete Part V “List of Officers, Directors or Key Employees”.

Line 22 - Salaries, wages and commissions to employees

Enter on this line the total of salaries, wages, bonuses and commissions paid during the taxable year to the employees of the organization. Include the number of employees, which must be same to the number of employees included in Part I, line 5 of page 1.

Line 24 - Taxes

Submit a schedule itemizing the property taxes (personal or real), social security, unemployment insurance and any other tax of similar nature paid by the organization during the taxable year.

Line 29 – Miscellaneous Expenses

On this line, include all expenses directly connected with the carrying of the exempt activities which are not included on the previous lines. Include a schedule with the return itemizing these additional expenses.

Line 31 – Contributions, gifts and grants paid

On lines 31(a) through 31(c), indicate separately the total contributions, gifts and grants made by the organization. You must include the name and social security number of individuals or entities that have received contributions, gifts or grants from the organization during the taxable year. Include a schedule itemizing the information required if you need additional space and include such total on line 31(c). Totalize the contributions, gifts and grants included on lines 31(a) through 31(c) on line 31(d). Transfer the total included on line 31(d) to Part I, line 14.

PART IV – BALANCE SHEET

The balance sheet must be reconciled with the accounting books. Any difference must be reconciled. All organization that inform to a national official of the Government of Puerto Rico, municipal or any other public official, may submit copies of the

financial statements required by such authority for the beginning and ending of the year.

In all cases in which line 6 includes 10% or more of any class of stocks of any corporation, you must include a list indicating the corporation name, the number of stock by class (indicate if the stocks have voting rights or not) and the book value of the stocks included on line 6.

PART V – LIST OF OFFICERS, DIRECTORS OR KEY EMPLOYEES

In this part, include the detail of each officer, director, trustee and key employee in the organization. You must include the full name, title of the position held as well as the number of weekly hours dedicate to the institution. You must also indicate the total compensation paid during the year such as salaries, allowances or any other compensation. In addition, indicate the total contributions to pension or deferred compensation plans and the total allowances or expense account that have been paid to the officer, director, trustee or key employee in the organization. Include a schedule itemizing the required information, in case you need additional space.

PART VI – COMPENSATION IN EXCESS \$5,000 PAID TO INDEPENDENT CONTRACTORS FOR PROFESSIONAL SERVICES

Include the detail of each one of the independent contractors to which the organization made payments for service rendered in excess of \$5,000 during the taxable year, which are part of the deduction claimed in line 26 of Part III. You must include the full name, address and social security or employer identification number in legible print, as well as a description of the type of service provided by the contractor to the organization and the total compensation paid during the taxable year.

Include a schedule detailing the required information, in case you need additional space.

PART VII – QUESTIONNAIRE

Include all the information required in the questionnaire in order to process this return. If necessary, include schedules detailing the information, if you need additional space and to support the information provided (for example: evidence of the exemption under the Federal Internal Revenue Code).

You must complete Sections A, B and C of the questionnaire in its entirety. In case that any question do not apply to the organization you must include “N/A” in such question.

SCHEDULE A EXEMPT ORGANIZATION – TAX COMPUTATION ON THE NET UNRELATED BUSINESS INCOME (OR LOSS)

Use this schedule to inform the unrelated business income and calculate the corresponding income tax, if any.

PART I – DETERMINATION OF THE NET UNRELATED BUSINESS INCOME (OR LOSS)

Line 1 - Net sales of goods or products

Enter **only** the net sales of goods and products. Do not include in this line the income received during the year from sales of services. The service income must be included in line 10 of this Part I.

Line 5 – Other Direct Costs

Detail the other direct costs included in this line in Part V of the return. The flexible depreciation of assets used in the manufacturing will be included in other direct costs in Part I, line 5 and Part V, line 11. The flexible depreciation of other assets not used in manufacturing must be included in Part IV, line 11.

Line 10 – Gross income on sales of services

Enter the gross income from the sale of services. Corporations that have income from services reported on this line will be the only ones that may be eligible to request to the Department a Waiver Certificate of the Withholding of Income Tax at Source on Services Rendered. If the corporation does not have income from services reported on this line, it will not be eligible to receive the benefits of the Withholding Waiver Certificate.

PART II - DETERMINATION OF THE NET INCOME SUBJECT TO TAX

Line 16 - Net operating loss deduction from preceding years

Include the net operating loss deduction from previous years, without considering any amount of income or deduction that is excluded from the computation of the unrelated business net income. The total loss to be claimed on this line cannot exceed the 80% of the net unrelated business income determined on line 15, Part I of this schedule.

The carryover period of these losses is 7, 12 or 10 years, according to the period in which each loss was incurred.

You must submit a schedule itemizing the year in which each loss was incurred, the amount of the loss, any applicable adjustment to the loss, the amount of the loss used in previous years, the amount of the loss available for the current year and the expiration date of the loss.

Line 18 - Dividends or benefits received from domestic corporations

Enter the amount of the applicable deduction, if any, for dividends or benefits received from a domestic corporation subject to tax under the Code, according to the Section 1033.19 of the Code.

Enter the 85% of the amount received as dividends or benefits from a domestic corporation subject to tax under the Code, but limited to 85% of the organization's net income.

If the dividend received is from industrial development income derived from operations covered by the provisions of Act No. 57 of June 13, 1963, as amended, the credit will be 77.5% of the amount received, but limited to the 77.5% of the net income subject to tax. The credit of 77.5% does not apply to dividends or profit distributions covered under Act 78-1993, as amended, or Act No. 8 of January 24, 1987, as amended. Nevertheless, if the organization received dividends or benefits from a domestic corporation, it may use the 85% credit mentioned in the first paragraph of this part.

However, the Code provide the following exceptions:

- 1) In case of a small business investment company operating in Puerto Rico under the Congress of the United States Act, known as the Small Business Act of 1958, there shall be allowed as a credit, an amount equal to 100% of the total amount received as dividends from a domestic corporation subject to tax under the Code.
- 2) Subject to certain requirements imposed by the Code, a credit against the net income of 100% of the amount received as dividends by corporations organized under the laws of any state of the United States or the Government of Puerto Rico, that is the principal derived from industrial development accumulated during taxable years beginning prior to January 1, 1993 and invested in obligations of the Government of Puerto Rico, its instrumentalities or political subdivisions or invested in mortgages secured by the Puerto Rico Housing Bank and Finance Agency or in loans or other securities guaranteed by mortgages granted under any general character pension or retirement system established by the Legislative Assembly of Puerto Rico, the municipalities and the agencies, instrumentalities and public corporations of the Commonwealth of Puerto Rico.
- 3) There shall be granted a 100% credit against the net income from the total amount received as dividends by corporations organized under the laws of any State of the United States or the Government of Puerto Rico, that is the principal derived from industrial development income accumulated during taxable years beginning prior to January 1, 1993 and invested in obligations of the Government Development Bank for Puerto Rico or any of its subsidiary corporation, for the financing through the purchase of mortgages, or the construction, acquisition or housing improvements in Puerto Rico made after December 31, 1984.
- 4) There shall be granted a 100% credit against the net income from the total amount received as dividends or benefits from a domestic controlled corporation.

Nevertheless, as established in Section 1102.02(b)(1) of the Code, this credit will not be accepted if the dividend income is excluded from the unrelated net business income determination.

If the Nonprofit Organization is a charitable and other purposes trust taxable according to Section 1102.01 (b) of the Code, you must enter zero on this line.

Line 20 - Specific deduction

Enter the amount of the specific deduction of \$1,000, according to Section 1102.02(b)(12) of the Code.

Line 22 - Surtax deduction

Enter \$25,000, except in case the organization belongs to a controlled group of corporations which are 80% or more owned, directly or indirectly, by the same person or persons. In such cases, the credit granted will be only \$25,000 for the entire group of corporations.

This line must only be completed by Nonprofit Organizations that are taxable at corporate rates, according to Section 1102.01(a) of the Code. If the Nonprofit Organization is a charitable and other purposes trust taxable according to Section 1102.01(b) of the Code, enter zero on this line.

PART III - COMPUTATION OF TAX

If the Nonprofit Organization is taxable at corporate rates, according to Section 1102.01(a) of the Code, line 24 must be completed and line 25 must be left in blank. On the other hand, if the Nonprofit Organization is a taxable trust according to Section 1102.01(b) of the Code, line 25 must be completed and line 24 must be left in blank.

Line 24 - Charitable and other organizations taxable at corporate rates

This line must be completed by any Nonprofit Organization with net unrelated business income, which is not a charitable or any other taxable trust described on line 25.

Line 24(a) - Normal Tax

A 20% regular tax will be imposed, collected and paid over the net unrelated business income of the Nonprofit Organization. Multiply line 21 of Part II of this schedule by 20% and enter the result on this line.

Line 24(b) - Surtax

Multiply line 23, Part II of this schedule by the applicable tax rate, according to the following table and enter the result on this line.

Surtax Computation Table for taxable years beginning after December 31, 2012

If the net income subject to surtax is:	The tax shall be:
Not over \$75,000	5%
In excess of \$75,000 but not over \$125,000	\$3,750 plus 15% of the excess over \$75,000
In excess of \$125,000 but not over \$175,000	\$11,250 plus 16% of the excess over \$125,000
In excess of \$175,000 but not over \$225,000	\$19,250 plus 17% of the excess over \$175,000
In excess of \$225,000 but not over \$275,000	\$27,750 plus 18% of the excess over \$225,000
In excess of \$275,000	\$36,750 plus 19% of the excess over \$275,000

Line 25 – Charitable and other purposes trusts

This line must be completed only if the Nonprofit Organization with net unrelated business income was organized as a trust that, if the tax exemption under Section 1101.01 of the Code wouldn't have been granted, would be subject to the income taxes applicable to trusts and estates established in Chapter 8 of Subtitle A of the Code.

Line 25(a) – Normal tax

Multiply line 21 of Part II of this schedule by the applicable tax rate according to the following table and enter the result.

If the net income subject to tax is:	The tax shall be:
Not over \$9,000	0%
In excess of \$9,000, but not over \$25,000	7% of the excess over \$9,000
In excess of \$25,000, but not over \$41,500	\$1,120 plus 14% of the excess over \$25,000
In excess of \$41,500, but not over \$61,500	\$3,430 plus 25% of the excess over \$41,500
In excess of \$61,500	\$8,430 plus 33% of the excess over \$61,500

Line 25(b) - Gradual Adjustment Amount

Complete Schedule P Individual and submit copy of such schedule with this return. In order to determine the total amount of Gradual Adjustment, you must transfer the amount of line 21, Part II of this schedule to line 1 of the Schedule P Individual.

Transfer the total amount of line 7 of Schedule P Individual to this line.

PART IV – DEDUCTIONS

Line 1 – Compensation to officers, directors and key employees

Enter the total compensation paid to officers, directors and key employees in the organization related with the unrelated business income, as determined in Part VI "Compensation to Officers, Directors and Key Employees" of this schedule.

Line 9 – Professional Services

Enter the total amount of professional services paid to service providers engaged in trade or business in Puerto Rico.

In order to claim this deduction, the Nonprofit Organization must file at the Department of the Treasury, the Informative Returns related with the services paid during the taxable year.

Line 12 - Bad Debts

Enter the accounts receivable that are considered uncollectible. For taxable years beginning after June 30, 1995, corporations will not be able to use the reserve method to compute the deduction for bad debts. Instead, they may claim a deduction only for the debts that become uncollectible within the taxable year (direct write-off method).

Line 13 – Charitable Contributions

A deduction for contributions or gift to Nonprofit Organizations made during the taxable year will be allowed subject to certain limitations.

The charitable contribution allowable deduction to those Nonprofit Organizations described in the instructions of line 25, Part III of this schedule is the total amount of contributions paid that does not exceed 50% of the net unrelated business income, computed without considering this deduction.

On the other hand, the charitable deduction to those Nonprofit Organizations described in the instructions of line 24, Part III of this schedule is the total amount of contributions paid that does not exceed 10% of the net unrelated business income, computed without considering this deduction.

Among the Nonprofit Organizations and other entities approved by the Code and regulations as entities to which the contributions made may be claimed as a charitable contribution deduction are the following:

- the Commonwealth of Puerto Rico, the United States or any state, territory, or political subdivision thereof or the District of Columbia, or any possession of the United States, exclusively for public purposes;
- educational institutions of university level established in Puerto Rico; or
- Nonprofit Organizations created or organized in Puerto Rico, the United States or any of its possessions, that is **qualified by the Department of the Treasury** as organized and dedicated to provide services to the community; charitable purposes, scientific, literary, art, educational, museological; the prevention of cruelty to or abuse of children, the elderly or disable persons, the prevention of cruelty to or abuse of animals, the prevention of domestic violence or hate crimes purposes or organizations that provide religious, and socio-economic and community services.

PART V - OTHER DIRECT COSTS

Those cost items for which Part V does not provide specific lines, will be totalized and entered as Other Expenses on line 12 of this part. Submit with the return a schedule itemizing those costs.

The total of these costs, as totalized on line 13 of this part, will be equal to the amount on line 5, Part I of the return.

PART VI – COMPENSATION TO OFFICERS, DIRECTORS AND KEY EMPLOYEES ATTRIBUTABLE TO THE UNRELATED BUSINESS INCOME

Include the compensation amount paid or accumulated by means of salaries, allowances or any compensation to officers, directors and key employees of the organization and directly related with the unrelated business income.