

Reviewer:	Liquidator:	20	GOVERNMENT OF PUERTO RICO DEPARTMENT OF THE TREASURY	20	Control Number
Field Audited by:		FIDUCIARY INCOME TAX RETURN			<input type="radio"/> AMENDED RETURN
Date ____/____/____		(ESTATE OR TRUST)			Receipt Stamp
R	M	N	FOR CALENDAR YEAR 20__ OR TAXABLE YEAR BEGINNING ON ____, 20__ AND ENDING ON ____, 20__		
Estate or Trust Name			Employer Identification Number		
Postal Address			Industrial Code	Municipal Code	
Municipality Country Zip Code			Merchant's Registration Number		
Location of Principal Industry or Business (Number, Street, City)			Telephone Number - Extension		
Fill in the corresponding oval, if applicable: <input type="radio"/> First Return <input type="radio"/> Last Return			Date created		E-Mail Address
			Day ____ Month ____ Year ____		Place created
			CHANGE OF ADDRESS: <input type="radio"/> Yes <input type="radio"/> No		
			EXTENSION OF TIME: <input type="radio"/> Yes <input type="radio"/> No		

Questionnaire	<p>A. Type of taxpayer: <input type="radio"/> Estate <input type="radio"/> Trust</p> <p>B. Fill in here if the estate or trust corresponds to a resident individual investor <input type="radio"/> (Submit Schedule F1 Individual)</p> <p>C. If the taxpayer is an estate, indicate: 1. Date of death of decedent _____ 2. Social security number _____</p> <p>D. Indicate the accounting method used: <input type="radio"/> Cash <input type="radio"/> Accrual <input type="radio"/> Other (Specify): _____</p> <p>E. If the gross income of the estate or trust was \$5,000 or more, include with this return a copy of the will or trust's deed.</p> <p>F. Indicate the name and address: a) Fiduciary: _____ b) Trustee: _____</p>
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GO TO PAGE 2 TO DETERMINE YOUR REFUND OR PAYMENT.

Refund	1. AMOUNT OVERPAID (Part II, line 15. Indicate distribution on lines A, B and C) (1)		00
	A) Contribution to the San Juan Bay Estuary Special Fund (1A)		00
	B) Contribution to the University of Puerto Rico Special Fund (1B)		00
	C) TO BE REFUNDED (1C)		00
Payment	2. AMOUNT OF TAX DUE (Part II, line 15) (2)		00
	3. Less: Amount paid (a) Income Tax (3a)		00
	(b) Interests (3b)		00
	(c) Surcharges _____ and Penalties _____ (3c)		00
	4. BALANCE OF TAX DUE (Subtract line 3(a) from line 2 and add lines 3(b) and 3(c)) (4)		00

OATH

I hereby declare under penalty of perjury that this return, including all schedules and other documents attached, has been examined by me and it is true, correct and complete. The declaration of the person that prepares this return (except the taxpayer) is based on the information available, and this information has been verified.

Fiduciary or Agent's Name	Fiduciary or Agent's Signature	Date
✓ Specialist's Name (Print)	✓ Name of Firm or Business	
Specialist's Signature	Date	Self-employed Specialist (fill in here) <input type="radio"/> Registration Number
✓		

NOTE TO TAXPAYER: Indicate if you made payments for the preparation of your return: Yes No. If you answered "Yes", require the Specialist's signature and registration number.

Part I	1. Income (or losses):			
	A) Wages, commissions, allowances and tips (Forms 499R-2/W-2PR, 499R-2c/W-2cPR or W-2, as applicable)	(1A)		00
	B) Total distributions from qualified retirement plans (Schedule D Individual, Part IV, line 25)	(1B)		00
	C) Gain (or loss) from sale or exchange of capital assets (Schedule D Individual, Part V, line 35 or 36, as applicable)	(1C)		00
	D) Interests (Schedule FF Individual, Part I, line 5) (Total \$)	(1D)		00
	E) Dividends from corporations (Schedule FF Individual, Part II, line 4) (Total \$)	(1E)		00
	F) Distributions from Governmental Plans (Schedule F Individual, Part II, line 3)	(1F)		00
	G) Distributions from Individual Retirement Accounts and Educational Contribution Accounts (Schedule F Individual, Part I, line 2)	(1G)		00
	H) Other income (Schedule F Individual, Part V, line 5 and Schedule FF Individual, Part III, line 4) (Total \$)	(1H)		00
	I) Income from annuities and pensions (Schedule H Individual, Part II, line 12)	(1I)		00
	J) Dividends from Capital Investment or Tourism Fund (Submit Schedule Q1)	(1J)		00
	K) Net long-term capital gain on Investment Funds (Submit Schedule Q1)	(1K)		00
	L) Distributable share on profits from pass-through entities (Submit Schedule R Individual) (Total \$)	(1L)		00
	M) Distributions from deferred compensation plans, or partial or lump-sum distributions from qualified retirement plans and fixed or variable annuities not subject to a preferential rate (Schedule F Individual, Part III or IV, line 1, as applicable)	(1M)		00
	N) Income from salaries, wages, compensations or public shows received by a nonresident individual (Form 480.6C)	(1N)		00
	O) Alimony received (Payer's social security No.)	(1O)		00
	P) Distributions due to a disaster declared by the Governor of Puerto Rico (See instructions) (Schedule F Ind., Part VI, line 3 or 5, as applicable)	(1P)		00
	Q) Gain (or loss) from manufacturing business (Schedule J Individual, Part IV, line 5) (Total \$)	(1Q)		00
	R) Gain (or loss) from the sale of goods (Schedule K Individual, Part IV, line 5) (Total \$)	(1R)		00
	S) Gain (or loss) from farming (Schedule L Individual, Part IV, line 5) (Total \$)	(1S)		00
	T) Gain (or loss) from services rendered (Schedule M Individual, Part IV, line 5) (Total \$)	(1T)		00
	U) Gain (or loss) from rental business (Schedule N Individual, Part IV, line 5) (Total \$)	(U)		00
	2. Total Income (Add lines 1A through 1U)	(2)		00
	3. Deductions:			
	A) Amounts distributed to beneficiaries (Total of Part III, Column A)	(3A)		00
B) Charitable contributions (Part IV)	(3B)		00	
C) Total (Add lines 3A and 3B)	(3C)		00	
4. Net income (Subtract line 3C from line 2)	(4)		00	
5. Less: Credit (\$1,300 if an Estate; \$100 if a Trust)	(5)		00	
6. Net income before the deduction for Private Equity investment (Subtract line 5 from line 4)	(6)		00	
7. Less: Allowable deduction for Private Equity investment (See instructions)	(7)		00	
8. Net taxable income (Subtract line 7 from line 6)	(8)		00	

Part II	1. TAX: <input type="radio"/> Tax Table <input type="radio"/> Preferential rates (Schedule A2 Individual) <input type="radio"/> Nonresident alien <input type="radio"/> Optional tax (Schedule X Individual)		(1)		00
	2. Gradual Adjustment Amount (Determine this adjustment if the amount indicated on line 8 or on Schedule A2 Individual, line 11 is more than \$500,000) (Schedule P Individual, line 7)		(2)		00
	3. Total Normal Tax (Add lines 1 and 2)		(3)		00
	4. REGULAR TAX BEFORE THE CREDIT (Multiply line 3 by <input type="radio"/> 1 95% or <input type="radio"/> 2 92%)(See instructions)		(4)		00
	5. Credit for taxes paid to foreign countries, the United States, its states, territories and possessions (Submit Schedule C Individual) (See inst.)		(5)		00
	6. NET REGULAR TAX (Subtract line 5 from line 4)		(6)		00
	7. Excess of Net Alternate Basic Tax over Net Regular Tax (Schedule O Individual, Part II, line 7) (See instructions)		(7)		00
	8. Credit for alternate basic tax (Schedule O Individual, Part III, line 4)		(8)		00
	9. TOTAL TAX DETERMINED (Subtract line 8 from the sum of lines 6 and 7)		(9)		00
	10. Optional Tax (Schedule X Individual, Part II, line 6)		(10)		00
	11. Recapture of credit claimed in excess (Schedule B Individual, Part I, line 3)		(11)		00
	12. Tax credits (Schedule B Individual, Part II, line 28)		(12)		00
	13. TAX LIABILITY (Subtract line 12 from the sum of lines 9, 10 and 11. If it is less than zero, enter zero)		(13)		00
	14. TAX WITHHELD AND PAID:				
	A) Tax withheld on wages		(14A)		00
B) Other payments and withholdings (Schedule B Individual, Part III, line 22)		(14B)		00	
C) Amount paid with automatic extension of time		(14C)		00	
D) Total Tax Withheld and Paid (Add lines 14A through 14C)		(14D)		00	
15. BALANCE:					
• If line 14D is more than line 13, you have an overpayment. Enter the difference here and on line 1 of page 1.					
• If line 14D is less than line 13, you have a balance of tax due. Enter the difference here and on line 2 of page 1.					
• If the difference between line 14D and line 13 is equal to zero, enter zero here and sign your return on page 1		(15)		00	

Amounts Distributed to Beneficiaries				Column A	Column B	Column C
Name and address	Social Security No.	Relationship	Amount paid or set apart	Share in the income tax withheld at source	Share in the tax paid to foreign countries, the United States, its states, territories and possessions	
				00	00	00
				00	00	00
				00	00	00
				00	00	00
Total (Enter here and transfer the total of Column A to Part I, line 3A)				00	00	00

Charitable Contributions (If you need additional space, submit detail)			
Name and address of institutions to which payment was made	Employer Identification Number	Nature of the Organization	Amount
			00
			00
			00
Total (Enter here and transfer to Part I, line 3B)			00



Rev. 03.23

GOVERNMENT OF PUERTO RICO
DEPARTMENT OF THE TREASURY

**FIDUCIARY INCOME TAX RETURN
(ESTATE OR TRUST) FORM 480.80
INSTRUCTIONS**

WHO MUST FILE THE RETURN?

Every estate that during the taxable year has a gross income over \$1,300. Also, those trusts other than grantor trusts that have a net income for the taxable year over \$100, must file this return.

WHEN THE RETURN MUST BE FILED?

If you file on a calendar year basis or do not keep accounting records, the return must be filed on or before April 15 of the following year. If the return is filed on a fiscal year basis, the return must be submitted no later than the 15th day of the fourth month after the close of the fiscal year.

WHERE THE RETURN MUST BE FILED?

Form 480.80 must be filed on paper in any of the following ways:

Personally: Department of the Treasury, 10 Paseo Covadonga, Intendente Ramirez Building, Old San Juan, or at any of the Department's Internal Revenue Collections Offices.

By mail: Department of the Treasury
PO Box 9024140
San Juan, PR 00902-4140

SCHEDULES THAT COMPLEMENT THE FIDUCIARY INCOME TAX RETURN (ESTATE OR TRUST)

The following schedules with their respective instructions are available in our site on the Internet at: www.hacienda.pr.gov.

- Schedule A2 Individual – Tax on Income Subject to Preferential Rates
- Schedule B Individual - Recapture of Credits Claimed in Excess, Tax Credits, and Other Payments and Withholdings
- Schedule C Individual - Credit for Taxes Paid to Foreign Countries, the United States, its States, Territories and Possessions
- Schedule D Individual - Capital Assets Gains and Losses, Total Distributions from Qualified Pension Plans and Annuity Contracts
- Schedule E - Depreciation
- Schedule E1 - Depreciation for Businesses with Volume of \$3,000,000 or Less
- Schedule F Individual - Other Income
- Schedule FF Individual - Interests, Dividends and Miscellaneous Income
- Schedule F1 Individual - Detail of Income of Resident Individual Investors
- Schedule H Individual - Income from Annuities or Pensions Received in the Form of Periodic Payments
- Schedule IE Individual – Excluded and Exempt Income
- Schedule J Individual - Manufacturing Income
- Schedule K Individual - Income from the Sale of Goods
- Schedule L Individual - Farming Income

- Schedule M Individual - Income from Services Rendered
- Schedule N Individual - Rental Income
- Schedule O Individual - Alternate Basic Tax
- Schedule P Individual - Gradual Adjustment
- Schedule Q1 - Investment Funds Determination of Adjusted Basis, Capital Gain, Ordinary Income and Special Tax
- Schedule R Individual - Pass-Through Entities (Reconciliation)
- Schedule R1 Individual - Pass-Through Entities
- Schedule X Individual - Optional Tax to Self Employed Individuals

NAME, ADDRESS AND EMPLOYER IDENTIFICATION NUMBER

Print with ink or type the required information in the spaces provided. Fill in the corresponding oval if it is the first or last return you are filing.

CHANGE OF ADDRESS

If you report a change of address at the moment of filing the return, fill in the applicable oval and write the new address clearly and legibly to notify it. This allows us to update our records and send the mail to the correct address.

You can also change your address at any time of the year through your account in the Internal Revenue Integrated System (SURI, for its Spanish acronym) following the steps indicated below: (i) Log in to your SURI account; (ii) In the *More options* section, locate the *Taxpayer's Information* option and select the *Manage Names and Addresses link*; (iii) In the *Addresses* menu, choose the address that you are interested in changing and select the *Change this address link*; (iv) Enter the new address and select the *Verify Address link*; (v) Once the address is validated, press on the *Next* option to continue with the next screen; (vi) On the *Review and Submit* screen, ensure to select the *Submit link*. The system will provide you with a confirmation number of the request for the change of address. We encourage you to keep said number in your records.

If you don't have an account in SURI, and you do not have to file the return yet, you must notify any change in your address using Form SC 2898 (Change of Address). Said form is available in our site on the Internet: www.hacienda.pr.gov.

EXTENSION OF TIME

Fill in the corresponding oval to indicate if you submitted a Request for Extension of Time to File the Income Tax Return (Form AS 2644).

A six (6) month automatic extension of time to file the return will be granted if it is requested not later than the due date to file the return. This extension will be requested by electronically filing Form AS 2644 through SURI.

An extension of time to file the return does not extend the time for paying the corresponding tax.

For additional information regarding the filing process of the Automatic Extension of Time Request for taxable year 2022, please refer to Internal Revenue Circular Letter No. 23-05 of February 10, 2023.

QUESTIONNAIRE

Fill in the corresponding oval to indicate estate or trust. Complete the information and submit the required evidence.

REFUND**Line 1 – Amount Overpaid**

An overpayment of tax or refund results when the total tax withheld and paid, including any amount paid with automatic extension (if any), exceeds the tax determined. This amount comes from Part II, line 15, page 2 of the return and results when line 14D is more than line 13.

Any overpayment of income tax will be applied against any enforceable tax liability imposed by the Puerto Rico Internal Revenue Code of 2011, as amended ("Code").

In the absence of a liability from previous years, you may elect to contribute all or part of the overpayment of tax to the San Juan Bay Estuary Special Fund or the University of Puerto Rico Special Fund. If you do so, enter the amount you wish to contribute to any of these Funds on lines 1A and 1B, respectively. Enter any balance to be refunded on line 1C.

PAYMENT**Line 2 – Amount of Tax Due**

If the tax determined exceeds the total tax withheld, paid and amount paid with automatic extension (if any), there is a total tax due. This amount comes from Part II, line 15, page 2 of the return and results when line 14D is less than line 13.

Line 3 - Amount paid

You may pay any balance of tax determined in the return at the time of filing.

Payments can *only* be made electronically through SURI. For these purposes, it is important that, when making the payment in SURI, make sure to: (i) select the *Corporate Income Tax* account; (ii) in the *Payment type*, select *Return payment*; (iii) in the *Period* select the close of the taxable year for which you are interested in the payment to be applied, and (iv) upon completion of the payment transaction, keep in your files the summary information and confirmation number provided by the system.

INTERESTS, SURCHARGES AND PENALTIES**Interests**

The Code provides for the assessment of interests at a 10% annual rate over any tax balance that is not paid by its due date.

Surcharges

When the payment of interests is applicable, a surcharge of 5% of the amount due will be assessed, if the delay in payment exceeds 30 days, but not over 60 days; or 10% of the amount due, if the delay exceeds 60 days.

Penalties

The Code imposes a progressive penalty from 5% to 25% of the total tax due for late filing unless you can show reasonable cause for the delay.

Also, any person required under the Code to file a return, declaration, certification or report, who voluntarily fails to file such return, declaration, certification or report within the term or terms required by the Code or regulations, in addition to other penalties, shall be guilty of a misdemeanor.

In those cases in which any person voluntarily fails to file the above mentioned return, declaration, certification or report (within

the terms required by the Code or regulations) with the intention to avoid or defeat any tax imposed by the Code, in addition to other penalties, shall be guilty of a third degree felony.

Line 4 - Balance of Tax Due

This is the amount of tax that you owe. The same must be paid no later than April 15, or if you file on a fiscal year basis, no later than the fifteenth day of the fourth month following the close of the taxable year.

SIGNATURE OF THE RETURN

The return will not be considered filed and will not be processed unless it is signed with ink and all necessary documents and information are submitted. This return must be signed by the fiduciary, executor, administrator or authorized representative.

PAYMENT FOR THE PREPARATION OF THE RETURN

If you pay for the preparation of the tax return, make sure that the specialist signs the return and includes his/her registration number. The Code provides civil and criminal sanctions to those specialists who fail to submit this information or who do not meet other statutory requirements imposed 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 a Certified Public Accountant (CPA) or a CPA firm duly registered as a specialist, it must include the registration number and be signed by the authorized person.

PART I - INCOME (OR LOSSES)**Line 1 - Income (or losses)**

Enter on lines 1A through 1U the total of each type of income or deductible losses, and provide detailed information for each one of them on the applicable Schedules.

Use **Schedule D Individual** to inform gains (or losses) on the sale or exchange of capital assets and lump-sum distributions from qualified pension plans and annuity contracts. Transfer the amounts from Schedule D Individual to lines 1B and 1C, page 2 of your return. (Refer to the instructions of the individual income tax return available in our site on the Internet for specific instructions of Schedule D Individual).

Use **Schedule F Individual** to inform income from distributions and transfers from government plans; distributions of Individual Retirement Accounts and Educational Contribution Accounts; under Other income: income from discharge of debts, income from the use of intangibles, income from judicial or extrajudicial indemnification, income from sports teams of international associations or federations and the distributable share on net income subject to preferential rates from pass-through entities; distributions from deferred compensation plans (non-qualified); partial or lump-sum distributions from qualified retirement plans and fixed or variable annuities not subject to a preferential rate; and Distributions due to a disaster declared by the Governor of Puerto Rico. Transfer the amounts from Schedule F Individual to lines 1F, 1G, 1H, 1M and 1P, page 2 of your return. (Refer to the instructions of the individual income tax return available in our site on the Internet for specific instructions of Schedule F Individual).

Use **Schedule FF Individual** to inform income from interests, dividends, income from prizes or contests and miscellaneous income. Transfer the amounts from Schedule FF Individual to lines 1D, 1E and 1H, page 2 of your return. (Refer to the instructions of the individual income tax return available in our site on the Internet for specific instructions of Schedule FF Individual).

Use **Schedules R and R1 Individual** to inform the distributable share in the income of pass-through entities. Transfer the amount from Part III, line 5 of Schedule R Individual to line 1L of your return. (Refer to the instructions of the individual income tax return available in our site on the Internet for specific instructions of Schedules R and R1 Individual).

If you received dividends from investment in a Capital Investment or Tourism Fund, use **Schedule Q1** to determine this income. This schedule with its instructions is available in our site on the Internet at: www.hacienda.pr.gov. If you had a long-term capital gain in Capital Investment Funds, use **Schedule Q1** to determine it and transfer it to Part I, line 1K of your return.

On the other hand, if you received income from an industry or business or from an activity for the production of income, use the applicable schedule:

- 1) Schedule J Individual - to inform manufacturing income
- 2) Schedule K Individual - to inform sale of goods income
- 3) Schedule L Individual - to inform farming income
- 4) Schedule M Individual - to inform services rendered income
- 5) Schedule N Individual - to inform rental income

If such activity does not constitute your principal source of income, transfer only the profits determined on the Schedules to Part I, lines 1Q through 1U, page 2 of your return. **If you had losses, enter zero.**

If you are engaged in a trade or business, and your operations are covered by a tax exemption decree under Act No. 26 of June 2, 1978 (Puerto Rico Industrial Incentives Act), Act No. 52 of June 2, 1983 (Puerto Rico Tourism Investment Act of 1983), Act No. 8 of January 24, 1987 (Puerto Rico Tax Incentives Act), Act 78-1993 (Puerto Rico Tourism Development Act), Act 14-1996 (Special Act for the Development of Castañer), Act 135-1997 (Tax Incentives Act of 1998), a Theatrical Business operating under Act 178-2000 (Act for the Creation of the Theatrical District of Santurce), Act 73-2008 (Economic Incentives for the Development of Puerto Rico Act), Act 74-2010 (Puerto Rico Tourism Development Act of 2010), Act 83-2010 (Puerto Rico Green Energy Incentives Act), Act 132-2010 (Real State Market Stimulus Act), Act 1-2013 (Jobs Now Act), Act 135-2014 (Incentives and Financing for Young Entrepreneurs Act), Act 14-2017 (Incentives Act for the Retention and Return of Medical Professionals), Act 60-2019, as amended (Puerto Rico Incentives Code) or under Section 1031.02(a)(35)(F) of the Code, select the corresponding oval and indicate the case or concession number, if applicable. In Act 1-2013 cases, you must include copy of the Special Agreement for the Creation of Employment. On the other hand, in Act 135-2014 cases, you must include copy of the Special Agreement for the Creation of Companies by Young Entrepreneurs (Agreement) with the Puerto Rico Trade and Export Company, in order to enjoy the exemption during the first 3 years from the signing of the Agreement. If you are not covered by a decree or resolution, you must fill in completely the oval which indicates "Fully Taxable". (Refer to the instructions of the individual income tax return, available in our site on the Internet for specific instructions of Schedules J, K, L, M and N Individual).

LOSSES:

Losses incurred in activities that do not constitute your principal business or industry, may be used as an allowable deduction only to offset the future income from the same activity that produced the loss.

Losses incurred in your principal industry or business, may be used to offset the income from other sources.

For additional information on how to classify an economic activity as a principal industry or business, contact (787) 622-0123.

Line 3 - Deductions

A) Amounts distributed to beneficiaries

Enter here the total amount distributed to beneficiaries as detailed in Part III, page 2 of this return.

B) Charitable contributions

Enter here the total charitable contributions as detailed in Part IV, page 2 of this return. If you need additional spaces to the ones provided for this purpose, submit detail.

Line 5 - Credit

Enter \$1,300 for an estate, or \$100 for a trust.

Line 7 - Allowable deduction for Private Equity investment

Enter the amount that you could claim as an allowable deduction for the initial investment in a Private Equity Fund (PEF) or Puerto Rico Private Equity Fund (PEF-PR), pursuant to Act 185-2014 or Act 60-2019, as amended.

To claim this deduction, the trust must include with the return an official certification issued by the PEF or PEF-PR, printed with the fund's letterhead and signed by a managing owner or principal officer, with the following information:

- Name and employer identification number of the PEF or PEF-PR;
- If the fund is a PEF or PEF-PR;
- Name and employer identification number or social security number of the resident investor for which the certification is issued; and
- The amount of the capital committed as initial investment that was contributed during the taxable year by the resident investor for which the certification is issued, including any amount that has been contributed after the end of the taxable year but before the resident investor files the income tax return for such taxable year.

For more details about this deduction and the documents that must be attached to this return, refer to the instructions for line 12, Part 2 of the individual income tax return available on our website.

Also, the estate or trust must also include with the return a schedule including the allowable deduction for the initial investment and the amount of the attributable share to each grantor of this deduction.

PART II - TAX COMPUTATION, CREDITS AND TAX WITHHELD OR PAID

Line 1 - Tax

Once the net taxable income is determined, compute the tax and fill in the corresponding oval to indicate the method used to determine the same:

- Oval 1 - Tax according to table
- Oval 2 - Tax at preferential rates (Schedule A2 Individual)
- Oval 3 - Tax for nonresident aliens
- Oval 4 - Optional tax (Schedule X Individual)

TAX COMPUTATION TABLE

If the net taxable income (line 8, Part I of the return) is:	The tax shall be:
Not over \$9,000	0%
Over \$9,000, but not over \$25,000	7% of the excess over \$9,000
Over \$25,000, but not over \$41,500	\$1,120 plus 14% of the excess over \$25,000
Over \$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

✓ If the result of the previous sum is more than \$100,000 - Multiply line 3 by .95.

Enter the total tax determined on this line and fill in the "Tax Table" Oval.

Preferential rates

If the estate or trust derived income subject to preferential rates such as interest, dividends or long-term capital gains, among others, you must complete Schedule A2 Individual. On this Schedule you shall determine the tax on income that is subject to a preferential rate and the regular tax on any other income, and you can compare this amount with the regular tax on total income so you can choose the most beneficial alternative.

Also, if your income subject to preferential rates is \$20,000 or more, it is required that you allocate the deduction for charitable contributions according to the different types of income.

Complete Schedule A2 Individual and transfer the amount of tax from line 17 of this Schedule to Part II, line 1 of the return and fill in the "Preferential rates" Oval. **Submit Schedule A2 Individual with your return.**

Nonresident alien

If the estate or trust is a nonresident alien not engaged in trade or business in Puerto Rico, income from sources within Puerto Rico will be taxed at a fixed rate of 29% except in the case of dividends that will be taxed at 15%, and the income attributable to the distributable share of an owner in a pass-through entity which will be taxed at 33%. Enter the tax determined in Part II, line 1 of the return and fill in the "Nonresident alien" Oval on this line.

If you are engaged in trade or business in Puerto Rico, all income from sources within Puerto Rico, as well as those related to the operation of the trade or business in Puerto Rico, will be taxed at normal tax rates.

Optional Tax (Schedule X Individual)

In those cases where the taxpayer choose to pay taxes under the optional computation of tax (Schedule X Individual), you must fill in the oval 4 on line 1 of this part to indicate the election and will not complete lines 1 through 9, will transfer the amount determined as optional tax on line 6, Part II of Schedule X Individual to line 10 of this Part. Refer to the instructions of Schedule X Individual for the computation of the tax.

Line 2 - Gradual Adjustment Amount

If the net taxable income is more than \$500,000, you must complete Schedule P Individual. Determine the gradual adjustment amount on said Schedule (See instructions of Schedule P Individual on the instructions for the Individual Income Tax Return). Enter the amount determined on Schedule P Individual, line 7. **Submit this Schedule with the return.**

Line 4 - Regular Tax before the Credit

Section 1021.01(c) of the Code provides that the tax determined will be 95% of the sum of the regular tax and the gradual adjustment amount. However, when the taxpayer's gross income does not exceed \$100,000, the tax determined shall be 92% of the sum of the regular tax and the gradual adjustment amount. Therefore, the amount to be entered on this line will depend on the method used to determine the tax on line 1 and the amount of the taxpayer's gross income as indicated below:

- If you checked Oval 1 (Tax Table):
 - ✓ If the sum of lines 1A, 1B, 1C, 1F, 1G, 1I, 1J, 1K, 1M, 1N, 1O, 1P and the total line (Total \$ _____) included on lines 1D, 1E, 1H, 1L, and 1Q to 1U, of Part I of the return, plus the exempt income from line 43 less lines 2D, 31B to 31F, and 37 to 42, first Column, Part II of Schedule IE Individual, does not exceed \$100,000 - Multiply line 3 by .92.

- If you checked Oval 2 (Preferential rates - Schedule A2 Individual) - Enter the amount from line 1, Part II of the return. Do not multiply this amount by any of the percentages (92% or 95%) included on this line. (See instructions for line 17 of Schedule A2 Individual).
- If you checked the Oval 3 (Nonresident alien) - Enter the amount of line 3.

Line 5 - Credit for taxes paid to foreign countries, the United States, its states, territories and possessions

Enter the amount of credit for taxes paid to foreign countries, the United States, its states, territories and possessions, as determined on Schedule C Individual. For specifications of how to determine this amount, refer to the instructions of Schedule C Individual. **Submit this Schedule with the return.**

Line 7 - Excess of Net Alternate Basic Tax over Net Regular Tax

You must complete Schedule O Individual if your net income subject to alternate basic tax is \$25,000 or more.

To determine whether you are subject to the Alternate Basic Tax or not, complete and submit said Schedule (See Instructions of Schedule O Individual on the instructions for the Individual Income Tax Return). Enter the amount determined on Schedule O Individual, Part II, line 7. **Submit this Schedule with the return.**

Line 8 - Credit for alternate basic tax

You must complete Parts III and IV of Schedule O Individual. Enter the amount determined on line 4, Part III of Schedule O Individual.

Line 10 - Optional Tax

Enter the amount determined on Schedule X Individual, Part II, line 6. For specifications of how to determine this amount, refer to the instructions of Schedule X Individual on the instructions for the Individual Income Tax Return. **Submit this Schedule with the return.**

Line 14C - Amount paid with automatic extension of time

Enter the amount paid with your request for automatic extension of time, if any.

If for any reason you cannot file your return on time, you may request an automatic extension of time on or before the due date to file the return. This will be done by electronically filing **Form AS 2644**.

If you made a payment with the request for an automatic extension of time and it was less than the tax liability (line 13 less lines 14A and 14B), you must pay with the return the balance of tax due (line 15). This amount is subject to interests from the original due date in which the return should have been filed to the date of payment.

PART III – AMOUNTS DISTRIBUTED TO BENEFICIARIES

Every estate or trust may claim as a deduction the amount to be distributed by the fiduciary to the legatees, heirs or beneficiaries, if that amount has been included in the income tax return of the legatees, heirs or beneficiaries, even if the amount has not been distributed.

Also, a deduction shall be allowed for the amount paid or credited to any legatee, heir or beneficiary from the income derived from an estate, during the period of its administration or liquidation, or from income that according to the fiduciary's discretion has been paid or accumulated to the beneficiary, as long as that amount has been included in the income tax return of the legatee, heir or beneficiary.

Enter in this part the name, address, social security number and relationship of the beneficiaries of the trust. In Column A of this Part III include the total amount distributed or paid, during the taxable year, to each beneficiary. If the amount distributed have any share in the income tax withheld at source, enter the corresponding amount withheld in Column B of Part III. Enter in Column C the distributable share of each beneficiary in the tax paid to foreign countries, the United States, its states, territories and possessions.

The Code establishes certain rules for the application of this deduction. For more information, refer to the Code.

PART IV – CHARITABLE CONTRIBUTIONS

Enter in this part the charitable contributions or donations paid during the taxable year to nonprofit organizations made during the taxable year, subject to certain limitations, **only** if the entities are authorized under the rules and regulations promulgated by the Secretary. **No part of the net earnings of any organization or entity to which you contribute may benefit any private shareholder or individual.**

Among the nonprofit organizations and other entities approved by the Code and regulations as entities for which a deduction for contributions can be claimed, are the following:

- the Government of Puerto Rico, the United States, any of its states, territories, or any political subdivision thereof, or the District of Columbia, or any possession of the United States, exclusively for public purposes;
- churches and religious organizations;
- university level accredited educational institutions established in Puerto Rico; or
- nonprofit organizations created or organized in Puerto Rico, the United States or any of its possessions, **which are qualified by the Secretary of the Treasury**, such as those providing community services, charitable, scientific, literary, art, educational or museological, organizations engaged in the prevention of cruelty or child abuse, elderly or disabled people, prevention of cruelty and abuse of animals, the prevention of domestic violence or hate crimes, or to religious organizations and of economic, social, and community development. It shall be an essential requirement to allow the deduction that the entity to which the contribution or donation is made, provide services to residents of Puerto Rico.

Enter the name, address, employer identification number, nature of the organization and the amount of the contribution in the corresponding column. To identify the nature of the organization, you must write the letter that identifies the purpose of the organization to which the contribution was made according to the following categories:

- A. Social Services** – this includes entities for the prevention of abuse or violence, such as Casa Protegida Julia de Burgos, Puerto Rico Youth at Risk, Inc. (Jóvenes de Puerto Rico en Riesgo), Taller Salud, Niños de Nueva Esperanza, Casa la Providencia, Centro de Renovación y Desarrollo Humano Espiritual Buen Pastor, La Casa de Todos, La Fondita de Jesús, and Proyecto Aurora.
- B. Art and Culture** – Examples: Andanza, Coro de Niños de San Juan, Pro Arte Musical, and Casa Pueblo.
- C. Housing Services**
- D. Educational and Research Services** - Examples: Centro Esperanza, Asesores Financieros Comunitarios, Politécnico Amigo, CreArte, Nuestra Escuela, Scuba Dogs Society, Asociación Educativa Pro Desarrollo Humano de Culebra, and Centro de Periodismo Investigativo.

- E. Recreation and Sports Services** - Examples: YMCA of San Juan, and Boys and Girls Club of Puerto Rico.
- F. Economic, Social and Community Development** – Examples: Coalición Pro Corredor Ecológico del Noreste, Proyecto Matria, Centro de Adiestramiento y Servicios Comunitarios E.P.I., Inc., Producir, and Comerciantes Unidos para el Desarrollo Comunitario de Camuy.
- G. International Activities** - Example: Comité Olímpico de Puerto Rico, Inc.
- H. Health Services** – Examples: MDA – Asociación Distrofia Muscular, SER de Puerto Rico, Centro Margarita, Centro de Ayuda y Terapia al Niño con Impedimento (AYANI), Iniciativa Comunitaria de Investigación, and The Leukemia and Lymphoma Society.
- I. Religious Services** – Example: All churches.
- J. Environmental Services** – Examples: Sierra Club, and Para la Naturaleza.
- K. Organizations for the Exclusive Benefit of its Members**
- L. Other Services** – Examples: Alianza para un Puerto Rico sin Drogas (Drug Prevention Services in High Risk Schools and Communities), Winston Salem Industries for the Blind (Employ and Train Visually Impaired Persons), and Employees' voluntary and beneficent associations.

Charitable Contributions to Conservation Easements and Museological Institutions

The allowable deduction for this contributions may not exceed 30% of your adjusted gross income for contributions of conservation easements to agencies of the Government of Puerto Rico or nonprofit organizations (**only if you do not claim a tax credit for this concept**) and subject to the requirements provided by the Puerto Rico Conservation Easement Act, as well as for contributions to museological institutions, private or public, that consist of art work properly appraised or of any other objects of recognized museological value.

If the fair market value of the contributed property exceeds the adjusted basis in the hands of the donor (determined under Section 1034.02 of the Code) by more than 25%, you will be allowed a deduction for the fair market value of the property donated, up to 30% of your adjusted gross income for the taxable year.

It is important to point out that in order to claim the deduction for charitable contributions made to private museological institutions, they have to be conditioned to a provision that any type of future negotiation with the work or contributed object is forbidden, and that in case of dissolution of the private museological institution, the title of the art work or museological value objects contributed will be transferred to the Government of Puerto Rico and will become part of the National Collection of the Institute of Puerto Rican Culture. If the charitable contribution is made to a museum located in Puerto Rico that is duly accredited by the American Association of Museums, the deduction will be the fair market value up to 50% of the adjusted gross income of the taxpayer and will not be subject to the previous limitations. The charitable contributions in excess of the limit allowed may be carried over to the 5 subsequent taxable years.

Charitable Contributions to Municipalities and Other Contributions

The contributions of historic or cultural 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, may be claimed as charitable contribution when the amount is \$50,000 or more, and is made in connection with the celebration of the centennial establishment of the municipality. The total of said contributions

shall not be subject to the limits set forth in the Code. If this type of contributions are included on this part, you must include a schedule itemizing them.

Also, any charitable contribution made to the Puerto Rico Public Broadcasting Corporation, as provided in Article 4 of Act 216-1996, as amended, shall not be subject to the limits set forth in the Code. To claim this deduction entirely, you must indicate in the corresponding space the name of the Corporation, the employer identification number and the amount contributed.

Transfer the total of charitable contributions to line 3B, Part I, page 2 of this return. You must keep for your records copy of the cancelled or substitute checks, receipts or certifications evidencing the payments made.