

Reviewer: _____		Liquidator: _____		20 _____		GOVERNMENT OF PUERTO RICO DEPARTMENT OF THE TREASURY		20 _____		Serial Number	
Field audited by: _____				REVOCABLE TRUST OR GRANTOR TRUST INFORMATIVE INCOME TAX RETURN							
Date ____/____/____				CALENDAR YEAR 20____ OR TAXABLE YEAR BEGINNING ON ____, 20____ AND ENDING ON _____, 20____							
R	M	N								AMENDED RETURN	
Trust Name				Employer Identification Number							
Postal Address				Industrial Code				Municipal Code			
				Telephone Number - Extension							
Municipality				Country				Zip Code			
Location of Principal Industry or Business (Number, Street, City)				Date created							
Fill in the corresponding oval, if applicable: <input type="radio"/> First Return (Submit copy of the trust deed) <input type="radio"/> Last Return				Day ____ Month ____ Year ____				Place created			
				Receipt Stamp							
Part I 1. Type of trust: <input type="radio"/> Revocable Trust <input type="radio"/> Grantor Trust 2. Indicate the accounting method used: <input type="radio"/> Cash <input type="radio"/> Accrual <input type="radio"/> Other _____				Total Forms 480.60 F				Merchant's Registration Number			
				Change of address: <input type="radio"/> Yes <input type="radio"/> No				<input type="radio"/> Fill in here if you derived income subject to any tax incentive act			
				3. Indicate the name and address of the Trustee: _____							
ATTRIBUTABLE ITEMS PER CATEGORY											
1. Income (or losses)											
A) Total distributions from qualified retirement plans (Schedule D Individual, Part IV, line 25) (1A)											
B) Gain (or loss) on the sale or exchange of short-term capital assets (Schedule D Individual, Part I, line 7) (1B)											
C) Gain (or loss) on the sale or exchange of long-term capital assets (Schedule D Individual, Part II, line 17) (1C)											
D) Gain (or loss) on the sale or exchange of long-term capital assets realized under special legislation (Schedule D Individual, Part III, lines 18 through 20, as applicable) (1D)											
E) Interests on deposits from financial institutions (Schedule FF Individual, Part I, line 4, Columns B through E) ... (1E)											
F) Other interests subject to 10% withholding (Schedule FF Individual, Part I, line 4, Column A) (1F)											
G) Other interests subject to withholding of ____% (Schedule FF Individual, Part I, line 4, Column F) (1G)											
H) Other interests not subject to withholding (Schedule FF Individual, Part I, line 4, Column G) (1H)											
I) Eligible dividend distributions from corporations subject to 15% withholding (Schedule FF Individual, Part II, line 3, Column A) (1I)											
J) Dividends distribution subject to withholding of ____% (Schedule FF Individual, Part II, line 3, Columns B and C) (1J)											
K) Other dividends not subject to withholding (Schedule FF Individual, Part II, line 3, Column D) (1K)											
L) Other income (Schedule F Individual, Part V, line 4 and Schedule FF Individual, Part III, line 4) (1L)											
M) Dividends from Capital Investment or Tourism Fund (Submit Schedule Q1) (1M)											
N) Net long-term capital gain (or loss) on Capital Investment Funds (Submit Schedule Q1) (1N)											
O) Distributable share on profits (or losses) from pass-through entities (Schedule R Individual) (See instructions) (1O)											
(i) Business volume of pass-through entities (Schedule R Individual, Part I, line 10 (1O)) 00											
(ii) Gross income related to services rendered of pass-through entities (Schedule R Individual, Part I, line 6) (1Oii) 00											
P) Gain (or loss) from manufacturing (Schedule J Individual, Part IV, line 5) (Total \$ _____) (Net income under special act: Act _____ Rate _____ %) (1P)											
Q) Gain (or loss) from the sale of goods (Schedule K Individual, Part IV, line 5) (Total \$ _____) (Net income under special act: Act _____ Rate _____ %) (1Q)											
R) Gain (or loss) from farming (Schedule L Individual, Part IV, line 5) (Total \$ _____) (1R)											
S) Gain (or loss) from services rendered (Schedule M Individual, Part IV, line 5) (Total \$ _____) (Net income under special act: Act _____ Rate _____ %) (1S)											
T) Gain (or loss) from rental business (Schedule N Individual, Part IV, line 5) (Total \$ _____) (Net income under special act: Act _____ Rate _____ %) (1T)											
U) Exempt income (Schedule IE Individual) (1U)											
V) Exempt income subject to alternate basic tax (Schedule IE Individual) (1V)											
W) Adjustment for purposes of the alternate basic tax (Submit detail) (1W)											
2. Deductions:											
A) Charitable contributions (Part VI) (2A)											
B) Medical expenses incurred and paid for the benefit of the grantor or beneficiary (Part VII) (2B)											
C) Home mortgage interest on residential property located in Puerto Rico (Part VIII) (2C)											
D) Casualty loss on real property that constitutes the grantor's principal residence (Part IX) (2D)											
E) Loss of personal property as a result of certain casualties (Part X) (2E)											
F) Allowable deduction for Private Equity investment (Part XIII) (2F)											
OATH											
I hereby declare under penalty of perjury that this return (including all schedules and other documents attached to it) has been examined by me, and to the best of my knowledge and belief is a true, correct and complete return. 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's or Agent's Name (Print)						Fiduciary's or Agent's Signature				Date	
Specialist's Name (Print)						Name of the 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: <input type="radio"/> Yes <input type="radio"/> No. If you answered "Yes", require the Specialist's signature and registration number.											
Retention Period: Ten (10) years											

Credits							
Part III	A. CREDITS SUBJECT TO MORATORIUM						
	1. Credit attributable to losses or for investment in the Capital Investment Fund (Schedules Q and Q1)	(1)	00				
	2. Credit for investment in housing infrastructure (Act 98-2001, as amended) (See instructions)	(2)	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				
	4. Credit for construction investment in urban centers (Act 212-2002, as amended) (See instructions)	(4)	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				
	6. Credit for the purchase of tax credits (Complete Part V) (See instructions)	(6)	00				
	7. Other credits subject to moratorium not included on the preceding lines (Submit detail)	(7)	00				
	B. CREDITS NOT SUBJECT TO MORATORIUM						
	8. Credit for investment in Tourism Development (Act 78-1993 and Act 74-2010)	(8)	00				
	9. Credit for: 1 <input type="checkbox"/> Section 4(a) of Act 8 of 1987 or 2 <input type="checkbox"/> Section 3(b) of Act 135-1997 (See instructions)	(9)	00				
	10. Credit for investment in film industry development (Act 27-2011): 1 <input type="checkbox"/> Film Project or 2 <input type="checkbox"/> Infrastructure Project (See instructions)	(10)	00				
	11. Credit for the purchase or transmission of television programming made in P.R. (Section 1051.14) (See instructions)	(11)	00				
	12. Credit for contributions to former governors' foundations (See instructions)	(12)	00				
	13. Credits for payments of Membership Certificates by Ordinary and Extraordinary Members of Employees-Owned Special Corporations (See instructions)	(13)	00				
	14. Credit for contributions to: 1 <input type="checkbox"/> Santa Catalina's Palace Patronage 2 <input type="checkbox"/> Patronage of the State Capitol of the Legislative Assembly (See instructions)	(14)	00				
	15. Credit for investment (Section 6 of Act 73-2008)	(15)	00				
	16. Credit for investment in opportunity zones (Act 60-2019)	(16)	00				
17. Credit for the purchase of tax credits (Complete Part V) (See instructions)	(17)	00					
18. Other credits not subject to moratorium not included on the preceding lines (Submit detail)	(18)	00					
Part IV	Taxes Paid to Foreign Countries and the United States, its States, Territories and Possessions						
	Name of the country, state, territory or possession ...	Foreign Country, State, Territory or Possession of the United States			United States	Total	
		A	B	C			
	Type of Form (See instructions):	1 <input type="checkbox"/> Form 1099 2 <input type="checkbox"/> Return 3 <input type="checkbox"/> Other document	1 <input type="checkbox"/> Form 1099 2 <input type="checkbox"/> Return 3 <input type="checkbox"/> Other document	1 <input type="checkbox"/> Form 1099 2 <input type="checkbox"/> Return 3 <input type="checkbox"/> Other document	1 <input type="checkbox"/> Form 1099 2 <input type="checkbox"/> Return 3 <input type="checkbox"/> Other document		
	1. Net income from sources within the country, state, territory or possession	00	00	00	00	00	
2. Tax paid during the year	00	00	00	00	00		
Part V	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. CREDITS SUBJECT TO MORATORIUM						
	1. <input type="checkbox"/> Solid Waste Disposal (Act 159-2011)	(1)	00				
	2. <input type="checkbox"/> Capital Investment Fund (Act 46-2000)	(2)	00				
	3. <input type="checkbox"/> Housing Infrastructure (Act 98-2001)	(3)	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				
	5. <input type="checkbox"/> Conservation Easement (Act 183-2001)	(5)	00				
	6. <input type="checkbox"/> Revitalization of Urban Centers (Act 212-2002)	(6)	00				
	7. <input type="checkbox"/> Other:	(7)	00				
	8. Total credit for the purchase of tax credits subject to moratorium (Transfer to Part III, line 6)	(8)	00				
	B. CREDITS NOT SUBJECT TO MORATORIUM						
	9. <input type="checkbox"/> Tourism Development (Act 78-1993 and Act 74-2010)	(9)	00				
	10. <input type="checkbox"/> Tourism Eligible Investment (Act 60-2019)	(10)	00				
	11. <input type="checkbox"/> Film Industry Development (Act 27-2011)	(11)	00				
	12. <input type="checkbox"/> Creative Industries (Act 60-2019)	(12)	00				
	13. <input type="checkbox"/> Economic Incentives (Research and Development) (Section 5(c) of Act 73-2008)	(13)	00				
	14. <input type="checkbox"/> Economic Incentives (Industrial Investment) (Section 6 of Act 73-2008)	(14)	00				
	15. <input type="checkbox"/> Green Energy Incentives (Research and Development) (Act 83-2010)	(15)	00				
16. <input type="checkbox"/> Research and Development Investment (Act 60-2019)	(16)	00					
17. <input type="checkbox"/> Opportunity Zones (Act 60-2019)	(17)	00					
18. <input type="checkbox"/> Other:	(18)	00					
19. Total credit for the purchase of tax credits not subject to moratorium (Transfer to Part III, line 17)	(19)	00					

Charitable Contributions					
Part VI	Name and address of institutions to which payment was made	Employer Identification Number	Nature of the Organization	Amount	
					00
					00
					00
					00
					00
					00
					00
1. Total (Transfer to Part II, line 2A)				(1)	00
Medical Expenses (includes the purchase of technological assistance equipment and the amount paid in the purchase of medicines through medical prescription)					
Part VII	Name and address of institutions to which payment was made	Employer Identification Number	Amount		
					00
					00
					00
					00
					00
					00
					00
1. Total (Transfer to Part II, line 2B)				(1)	00
Home Mortgage Interest on Qualified Residential Property Located in Puerto Rico					
Part VIII	Name and address of institutions to which payment was made	Employer Identification Number	Control No. Form 480.7A	Electronic Filing Confirmation No. Form 480.7A	Amount Paid
					00
					00
					00
					00
					00
					00
					00
1. Total (Transfer to Part II, line 2C)				(1)	00
Casualty Loss on Real Property that Constitutes the Grantor's Principal Residence					
Part IX	1. Total (Transfer to Part II, line 2D)				(1) 00
Loss of Personal Property as a Result of Certain Casualties					
Part X	1. Total (Transfer to Part II, line 2E)				(1) 00
Contributions to the Trust by the Grantors					
Part XI	Trustee's name	Trustee's address	Social Security Number	Share percentage in the Corpus of the Trust	Amount contributed to the Trust during the year
					00
					00
					00
					00
					00
Distributions to Beneficiaries					
Part XII	Beneficiaries' Share			Column A	Column B
	Beneficiary's name and address	Social Security Number	Relationship	Amount paid or set apart	Share in the income tax withheld at source
				00	00
				00	00
				00	00
				00	00
				00	00
				00	00
				00	00
Allowable deduction for Private Equity Investment (Section 2042.03(d) of Act 60-2019, as amended, or Act 185-2014, as amended)					
Part XIII	1. Initial investment deduction amount (See instructions)				(1) 00



Rev. 04.23

Government of Puerto Rico
Department of the Treasury

REVOCABLE TRUST OR GRANTOR TRUST INFORMATIVE INCOME TAX RETURN FORM 480.80(F)

GENERAL INSTRUCTIONS

WHO MUST FILE THIS RETURN?

Every revocable trust or grantor trust (hereinafter "Trust") subject to the provisions of Sections 1083.05 and 1083.06 respectively, of the Puerto Rico Internal Revenue Code of 2011, as amended (hereinafter "the Code"), must file a return to report the income received during the corresponding taxable year.

For purposes of this return, the term "grantor trust" includes a trust created under the laws of Puerto Rico and that by virtue of the provisions of the Federal Internal Revenue Code of 1986, as amended (IRC), is treated as a grantor trust at the federal level.

Section 1083.05 of the Code establishes that a trust shall be considered revocable when, at any time, the power to reinvest the grantor with title to any portion of the trust estate resides:

- 1) In the grantor, by itself or jointly with any person who does not have a substantial adverse interest in the disposition of said part of the estate or the preceding income thereof, or
- 2) in any person who does not have a substantial adverse interest in the disposition of said part of the estate or the income derived from it, then the income of said part of the trust will be included when computing the net income of the settlor.

WHEN AND WHERE THE RETURN MUST BE FILED?

This return must be filed not later than the 15th day of the third month following the closing of the trust's taxable year. As an example, a revocable trust or a trust for the benefit of the settlor whose accounting year is a calendar year (closing on December 31, 2020) must file the return not later than March 15, 2021. However, as established in Administrative Determination No. 21-03, the return corresponding to calendar year 2020 must be filed no later than April 15, 2021.

The return must be filed in paper format before the Department of the Treasury, Returns Processing Bureau, located at 10 Paseo Cavadonga, Intendente Ramírez Building in Old San Juan, or sent by mail to the following address:

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

It may also be hand-delivered at any Internal Revenue Collections Office.

AUTOMATIC EXTENSION OF TIME TO FILE THE RETURN

An automatic extension of six (6) months will be granted to file the return if it is requested no later than the date prescribed for filing the return.

Every Trust that needs to file an automatic extension request (Model SC 2644) for tax year 2020 must submit it electronically through its Pass-Through Entity account in the Unified Internal Revenue System (SURI) following the steps established in Internal Revenue Circular Letter No. 21-09 of March 17, 2021.

An extension to file the return does not extend the time for the trustors to make the payment of the tax corresponding to the share of the trustor in the income of the trust.

COLUMN OF CENTS

When filing out the return, the column of cents will not be used. This way we can speed up the processing of it. **It is important to remember you that it is not about rounding to the nearest dollar, but about eliminating the cents. See the following example:**

\$480.90 = \$480

\$475.25 = \$475

TAXPAYER'S ASSISTANCE

For additional information on the technical content of this pamphlet or to clarify any doubts, please call **(787) 622-0123**.

SCHEDULES THAT COMPLEMENT THE REVOCABLE TRUST OR GRANTOR TRUST INFORMATIVE INCOME TAX RETURN

To complete the Trust return, it will be required to use those schedules of the Individual Income Tax Return, Form 482, (Form 482 - Individual Return) that are necessary to determine the total of the items of income (or losses) that are summarized in Section 1 of Part II of page 1 of the return. Refer to the instructions of Form 482 - Individual Return, where you will find the specific instructions to complete those schedules that you have to use to prepare your Trust return. The schedules that you may need to complete the Trust return are indicated below. Both, Form 482 - Individual Return and its respective instructions are available in our website at: www.hacienda.pr.gov.

- 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 Territories and Possessions
- Schedule D Individual - Capital Assets Gains and Losses, Total Distributions of Qualified Pension Plans and Variable Annuity Contracts
- Schedule E Individual - Depreciation
- Schedule E1 Individual - Depreciation for Businesses with Volume Less than or Equal to \$3,000,000
- Schedule F Individual - Other Income
- Schedule FF Individual - Interests, Dividends and Miscellaneous Income
- Schedule IE Individual - Excluded and Exempt Income
- Schedule J Individual - Manufacturing Income
- Schedule K Individual - Industry or Business Income
- Schedule L Individual - Farming Income
- Schedule M Individual - Professions and Commissions Income
- Schedule N Individual - Rental Income
- Schedules Q and Q1 - Capital Investment Funds
- Schedule R Individual - Partnerships, Special Partnerships and Corporations of Individuals (Reconciliation)
- Schedule R1 Individual - Partnership, Special Partnership and Corporations of Individuals

INFORMATIVE RETURN

Every revocable trust or grantor trust must complete for each grantor an Informative Declaration of Revocable Trusts or Trusts for the Benefit of the Settlor "Grantor Trusts" (Form 480.60 F) and report the distributable share of each settlor on the income and expenses, earnings or losses and credits generated by the trust during the taxable year. Said informative returns must be filed only by electronic means through SURI, regardless of whether the return has to be filed on paper. A copy of these informative returns must be included with the filing of Form 480.80(F).

SIGNATURE AND OATH OF THE RETURN

The return must be signed and sworn by the trustee or agent of the trust for which this Informative Return on Income from Revocable Trusts or Grantor Trust is made.

SIGNATURE OF THE RETURN BY THE SPECIALISTS

The Specialist must declare under penalty of perjury that he has examined the return, and to the best of his knowledge and belief it is correct and complete.

If the return is prepared by a specialist duly registered with the Department of the Treasury, it must include the registration number and be signed by the authorized person.

Please indicate if you paid for the preparation of this return and request the specialist to sign it and include the registration number. THE CODE ESTABLISHES ADMINISTRATIVE AND CRIMINAL SANCTIONS FOR THE SPECIALIST WHO DOES NOT PROVIDE THIS INFORMATION OR WHO DOES NOT COMPLY WITH ANY OTHER REQUIREMENTS ESTABLISHED IN THE CODE.

INSTRUCTIONS TO COMPLETE THE RETURN

HEADING OF THE RETURN

If the taxable year of the trust is a calendar year, it is not necessary to specify the date on which the taxable year begins and ends, only the corresponding year must be entered. If otherwise, it is a fiscal year, the date on which the taxable year begins, and ends must be entered in the space provided in the trust return.

Enter in the corresponding box the name, address, and employer identification number of the trust. **The employer identification number is indispensable to process the return.**

Fill in the corresponding box if you are filing the first or the last return. Enter in the corresponding box the date and place the trust was created. Complete the information requested and include the corresponding documents.

If the trust is engaged in a trade or business, enter in the corresponding box the merchant's registration number. Also, indicate if derived income is subject to any tax incentive act and enter the act number granting the benefit.

Enter in the corresponding box the number of Forms 480.60 F (Informative Return - Revocable Trust or Grantor Trust) included with the return. A copy of Forms 480.60 F provided to each one of the trustees must be included with this return.

CHANGE OF ADDRESS

If you notify a change of address at the moment of filing the return, fill in the applicable oval and write the new address in a clear and legible way to notify it. This will allow us to update our records and send the correspondence to the correct mailing address.

Also the address can be changed at any moment of the year through your SURI account following the steps herein provided: (i) Log in into your SURI account; (ii) In the menu Names and Addresses, select the address to be changed and click on Change this address; (iii) Enter the new address and click on Validate address; (iv) Once the address is validated, click on Next to continue to the next window; (v) In the Review and Submit window make sure to click on Submit. The system will provide a confirmation number for the change of address request. We strongly suggest this confirmation number be saved on your records.

If you don't have a SURI account, and you do not need to file the return, you must inform any address change using Form SC 2898 (Change of Address). The same can be obtained by accessing our website: www.hacienda.pr.gov.

PART I – QUESTIONNAIRE

Line 1- Type of trust

Fill in the corresponding box to indicate if it is a revocable trust or a grantor trust.

Line 2- Indicate the accounting method used by the trust

Fill in the corresponding box to indicate the accounting method used by the trust.

Line 3- Indicate the name and address of the Trustee

Enter the name and address of the trustee or trustees of the trust.

PART II – ATTRIBUTABLE ITEMS PER CATEGORY

Enter the amount derived for each activity and the tax withheld, if any.

Line 1 - Income (or losses)

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

The amount presented in each of these lines will be distributed within the trustees and will be informed as part of Forms 480.60F filed by the trust using SURI.

Line 1A - Total distributions from qualified retirement plans

Enter the total lump-sum distributions received by the trust during the year, as reported on line 25, Part IV of Schedule D Individual.

Line 1B - Gain (or loss) on the sale or exchange of short-term capital assets

Enter the net gain or loss derived from the sale or exchange of capital assets held by the trust for one year or less, as determined on line 7, Part I of Schedule D Individual.

Line 1C - Gain (or loss) on the sale or exchange of long-term capital assets

Enter in line 1C the net gain or loss derived from the sale or exchange of capital assets held by the trust for more than one year, as determined on line 17, Part II of Schedule D Individual.

Line 1D - Gain (or loss) on the sale or exchange of long-term capital assets realized under special legislation

Enter the net gain or loss derived from the sale or exchange of long term capital assets held by the trust and realized under special legislation, as determined on lines 18 through 20, Part III of Schedule D Individual.

Line 1E - Interests on deposits from financial institutions

Enter the interest income derived from 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 organizations with banking character established in Puerto Rico, as well as the 10% or

17% amount withheld, if the election was made. Determine the total interest received from financial institutions engaged in trade or business in Puerto Rico adding the total of line 1 of Columns B, C, D and E, Part I of Schedule FF Individual and subtracting only the total of expenses incurred to generate such income as reported in line 2 of Columns B, C, D and E, Part I of Schedule FF Individual.

Do not consider the interest exemption included on Part I, line 3 of Schedule FF Individual. This is only applicable to individual taxpayers, not applicable to trusts.

Line 1F – Other interests subject to 10% withholding

Enter on this line the interest income derived from bonds, notes and other obligations that are deemed eligible interest under Section 1023.05(b) of the Code, as well as the 10% amount withheld, if such election was made. Determine the total interest received by adding the total of line 1(a), Column A of Schedule FF Individual and subtracting the total expenses incurred to generate such income as reported on line 2, Column A, Part I of Schedule FF Individual. The entered amount cannot be greater than the amount determined on line 4, Column A, Part I of Schedule FF Individual, together with the corresponding amount withheld.

Line 1G - Other interests subject to withholding of ____%

Enter on this line the taxable interest income received or credited that were subject to a fixed special tax rate not previously specified, as reported on line 4 of Column F, Part I of Schedule FF Individual, together with the corresponding tax withheld. Specify the applicable corresponding rate in the space provided for it.

Line 1H - Other interests not subject to withholding

Enter on this line the total taxable interest received or credited from deposits, certificates of deposit, current accounts held in cooperatives and savings associations held in any commercial bank or financial institution located outside of Puerto Rico, as reported on line 4, Column G, Part I of Schedule FF Individual.

Line 1I - Eligible dividend distributions from corporations subject to 15% withholding

The trustees may claim separately in their returns the dividends received by the trust from eligible dividend distributions, as defined in Section 1023.06 of the Code, according to their share in the trust, together with the portion of the tax withheld.

Enter on this line the total eligible dividends distribution received by the trust that were subject to the 15% tax rate according to provisions of Section 1023.06 of the Code, as reported on line 3, Column A, Part II of Schedule FF Individual, together with the 15% of tax withheld.

Line 1J – Dividends distributions subject to withholding of ____%

Enter on this line the total dividends distribution, made under the provisions of special legislation that provides a preferential

tax rate different to 15%, received by the trust, as reported on line 3, Columns B and C, Part II of Schedule FF Individual, together with the corresponding tax withheld.

Line 1K - Other dividends not subject to withholding

Enter the total net dividends received from any foreign corporation not engaged in trade or business in Puerto Rico, or which income is substantially from sources outside of Puerto Rico, as determined on line 3, Column D, Part II of Schedule FF Individual.

Line 1L - Other income

Enter the total other income received by the trust not itemized in any part of the return. Use Part V of Schedule F Individual or Part III, Schedule FF Individual, as applicable, to inform such income (See instructions of Schedule F and Schedule FF Individual).

Lines 1M – Dividends from Capital Investment or Tourism Fund

If dividends from a Capital Investment Fund or Tourism Fund were received, use Schedule Q1 to determine this income.

Line 1N - Net Long-Term Gain (or loss) on Investment Funds

If long-term gain (or loss) from a Capital Investment Fund were received, use Schedule Q1 to determine it and transfer to this line of the return.

Line 1O - Distributable share on profits (or losses) from pass-through entities

The trust may be a partner in a partnership or special partnership. Subject to certain limitations, a trust can be a stockholder in a corporation of individuals. The trust must receive Form 480.60 EC (Partner's Distributable Share of Stockholder's Proportional Share on Income, Losses and Credits) where such participation is informed.

If any distributable share on profit from a partnership, special partnership, and corporation of individuals (in the collective, "flow-thru entities") was received informed in Form 480.60 EC, use Schedules R and R1 Individual to determine this income and transfer to this line of the return the amount determined on line 5, Part IV of Schedule R Individual (Refer to instructions for Schedules R and R1 Individual).

Complete Schedule R1 Individual if the trust is a partner in one or more partnerships or special partnerships or a stockholder in one or more corporation of individuals. Schedule R1 Individual is used every year to determine the adjusted basis and the net income or loss from the participation of the taxpayer in each flow-thru entity, including carryover losses from prior years.

Line 1P through 1T - Gain (or loss) from industry or business or from an activity for the production of income

If income from a trade or business or an activity for the production of income was received, use the applicable

Schedule from Form 482 - Individual Income Tax Return. Any doubt related to these schedules must be referred to the instructions included as part of Form 482 - Individual Income Tax Return. Income will be informed on the following Schedules:

Line 1P Schedule J Individual - to inform any income derived from manufacture;

Line 1Q Schedule K Individual - to inform income derived from the sale of goods;

Line 1R Schedule L Individual - to inform farming income;

Line 1S Schedule M Individual - to inform any income derived from services rendered;

Line 1T Schedule N Individual - to inform rental income;

Lines 1P through 1T will include the total gain determined on line 5 Part IV of Schedules J, K, L, M and N Individual, as applicable. In the provided space to enter the total (Total \$ _____) included on lines 1P through 1T will be transferred the gross income informed on line 3, Part II of Schedules J, K or L Individual; the sum of lines 1 and 6, Part II of Schedule M Individual; or the income in line 1, Part II of Schedule N Individual, as applicable.

In some applicable cases, you must indicate if the income is covered under any special act that provides tax incentives and include the number of the act that grants such benefit.

Is important to note that on lines 1P through 1T, were the total gain determined on line 5, Part IV from Schedules J, K, L, M and N Individual is transferred, losses will only be permitted when the operation which generates such loss constitutes the principal industry or business of the trust and it has been stated as it on the Questionnaire of the applicable schedule. If the activity of business or industry informed on any of these schedules does not constitute the principal source of income of the trust, the losses determine on such schedules will not be transferred. In these cases, enter zero on line 1P through 1T as applicable.

Line 1U - Exempt income (Schedule IE Individual)

Enter the total amount of exempt income from Schedule IE Individual, line 43, First Column, Part II. You must include with the return the duly completed Schedule IE Individual.

Line 1V - Exempt income subject to alternate basic tax (Schedule IE Individual)

Enter the total amount of exempt income from Schedule IE Individual, line 43, Second Column, Part II. You must include with the return the duly completed Schedule IE Individual.

Line 1W - Adjustment for purposes of the alternate basic tax

Enter here any adjustment to the income of the trust that, at the trustee's level, is considered income subject to alternate basic tax, such as non-deductible expenses for purposes of the alternate basic tax at the trustee's level.

Line 2- Deductions

Enter on lines 2A through 2E the total of each type of admissible deductions and provide detailed information on the corresponding Schedules.

Line 2A – Charitable contributions

Enter here the total amount of charitable contributions as detailed in Part VI, Page 3 of this return.

Line 2B – Medical expenses incurred and paid for the benefit of the grantor or beneficiary

Enter here the total amount of medical expenses as detailed in Part VII, Page 3 of this return.

Line 2C – Home mortgage interest on residential property located in Puerto Rico

Enter here the total amount of home mortgage interest as detailed in Part VIII, Page 3 of this return.

Line 2D – Casualty loss on real property that constitutes the grantor's principal residence

Enter here the total amount of losses as detailed in Part IX, Page 3 of this return.

Line 2E – Loss of personal property as result of certain casualties

Enter here the total amount of losses as detailed in Part X, Page 3 of this return.

Line 2F - Deduction for private equity investment

Enter here the total deduction determined in Part XIII, Page 3 of this return.

PART III - CREDITS

On March 7, 2017, the Financial Advisory Authority and Fiscal Agency of Puerto Rico ("AAFAF", for its Spanish acronym) issued Administrative Order No. OA-2017-01 ("OA-2017-01") by which it created the Disbursements and Tax Concessions Authorization Committee ("CADCC", for its Spanish acronym) to which it granted certain authorizations regarding the evaluation and granting of tax credits and delegated the responsibility of establishing limitations regarding the use and availability of the tax credits granted. Also, OA-2017-01 ordered the Secretary of Treasury ("Secretary") to carry out an inventory of the tax credits granted and to require the holders of tax credits to report the amount granted of said credits, in the manner that the Secretary establishes for said purposes. The administrative order also establishes that, any credit holder that does not show evidence issued by the Secretary of compliance with the information requirement, will not be able to claim said tax credits.

For such purposes, on April 20, 2017, the Department of the Treasury issued the Internal Revenue Informative Bulletin No. 17-08 to notify that the requirement to carry out the inventory of

tax credits would be met by electronically filing Form 480.71.1 (Informative Return for Tax Credits Holders) and established that the requirement imposed by AAFAF to submit evidence of compliance with the information requirement in order to claim the tax credits, would be met by electronically filing Form 480.71.1. Therefore, in order to claim a tax credit that has been granted and available as of April 19, 2017, it must be included in Form 480.71.1 that the credit holder submitted to the Department.

For its part, on July 2, 2018, AAFAF, through Administrative Order No. OA-2018-10 ("OA-2018-10"), repealed the OA-2017-01 and left the CADCC without effect prospectively. For such purposes, Section 1051.15(b)(1) of the Code provides that for taxable years commenced after December 31, 2017, the tax credits will not be subject to the limitations set forth in the resolutions issued by the CADCC during its existence, therefore, they will be subject only to the rules of use established in the special law under which the tax credit is granted and the applicable provisions of the Code. However, credits covered under Section 1051.12(a)(4), (5) and (7) of the Code will be subject to the use limitation provided in Section 1051.13 of the Code.

A. Credits Subject to Moratorium:

Line 1 - Credit attributable to losses or for investment in a Capital Investment Fund

To claim this credit, you must complete and submit with the return the duly completed Schedule Q and Q1, as it corresponds. Refer to the instructions of Schedules Q and Q1 regarding the granting of the credits attributable to losses in investment funds.

To claim this credit a copy of the certification issued by the pertinent agencies and copy of the notice by means of the sworn statement issued by such agency, where the distribution of the credit is informed must be included with the return.

Line 2 - Credit for investment in housing infrastructure (Act 98-2001, as amended)

Enter the amount of the credit for housing infrastructure investment recommended by the designated officials of the Housing Department and the Department.

Act 98-2001, as amended (Act 98-2001), grants a tax credit for infrastructure investment to the developers of housing projects. It will be subject to the taxpayer's request and the Secretary's approval by means of an administrative determination under Act 98-2001 and the applicable regulations. You must include with the return copy of the Administrative Determination issued by the Department.

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

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

Enter the amount of credit for investment in the construction or rehabilitation of affordable rental housing for low or moderate income families, or for the acquisition, construction or rehabilitation of affordable rental housing for the elderly.

Act 140-2001, as amended (Act 140-2001), provides that every owner of a rental housing project for low or moderate income families or 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 by means of an administrative determination. The return must include copy of the Administrative Determination issued by the Department.

Line 4 - Credit for investment in construction in urban centers (Act 212-2002, as amended)

Enter on this line the amount of credit for construction investment in 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 tax credit.

The concession of the credit is subject to the trust's request and the approval by the Secretary by means of an administrative determination. The return must include copy of the Administrative Determination issued by the Department.

In addition, each year in which the credit is claimed the return must include, a schedule with a breakdown of the date in which the credit was granted, the taxable years for which the credit has been claimed, the expiration date, the total amount of the credit and the amounts claimed in previous years.

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 here the amount of credit for the establishment and donation of a conservation easement. The trust may elect for a credit equal to 50% of the value of the eligible conservation easement.

To claim this credit you must include a certification issued by the Secretary. For additional details, refer to Act No. 183-2001, as amended, and Internal Revenue Circular Letter No. 05-04 of March 23, 2005.

Line 6 - Credit for the purchase of tax credits

The grantors of a trust are entitled to claim their distributable share on tax credits subject to moratory acquired by the trust through the purchase, exchange or transfer from investors that generated the credits under any of the acts that grant tax credits. The trust, as the buyer of the credits, and the grantors, are subject to the limitations imposed to the investor from whom the credits were acquired with respect to the taxable years on which those credits can be considered, and the maximum amount of the credits to be claimed on each taxable year.

Enter here the total taxable credits acquired by the trust during the year through the purchase, exchange, or transfer and that are subject to a moratory under the dispositions of the Code.

In order to claim this credit, the conveyor and the cessionary must submit with the income tax return in the year of the cession, a sworn statement notifying the same to the Secretary.

You must complete Part V of page 2 of the return.

Line 7 - Other credits subject to moratory not included in the preceding lines

Enter on this line the total amount of other credits subject to moratory not included on the preceding lines. If on this line you included credits from different concepts, you must submit a schedule showing a breakdown of such credits. In addition, you must submit documents or evidence of any credit included on this line.

B. Credits Not Subject to Moratorium:

Line 8 - Credit for investment in Tourism Development (Act 78-1993 and Act 74-2010)

Enter on this line the amount of credit for tourism investment. Any investor shall claim a credit for tourism investment equal to a 50% of the eligible investment. The credit will be claimed in two installments: the first half in the year in which the financing for the construction of the tourism project was obtained and the balance of such credit, in the subsequent years.

To claim this credit, duly completed Schedule Q and Q1 must be included with the return.

The return must include copy of the notice by means of a sworn statement issued by such agency, where the credit distribution is informed. Also, a copy of the Certification issued by the pertinent agencies must be included.

Line 9 - Credit for tax withheld at source from Industrial Development dividends (Act No. 8 of 1987 or Section 3(b) of Act 135-1997)

The grantors of a trust are entitled to claim, according to the percentage applicable to the distributable share in the trust, a credit as established in Section 4(a) of Act No. 8 of 1987 or in Section 3(b) of Act 135-1997, against the tax due for the year in which the trust receives, as an investor, a distribution from Industrial Development Income. With respect to dividends under Act No. 8 of 1987, provide the required information on Box 7 of Form 480.6B with the return.

Enter on this line the amount of tax withheld at source to the trust on dividends from Industrial Development Income.

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

Enter on this line the amount of credit to be claimed for investment in a Film Entity engaged in a Film Project and / or Infrastructure Project under Act 27-2011.

This credit will be subject to the request and the approval by the Secretary of the Treasury by means of an administrative determination under Act 27-2011 and its regulations. The return must include copy of the certification issued by the Puerto Rico Film Commission, who forms part Department of Economic Development of Puerto Rico.

For additional details, refer to Act 27-2011.

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

Enter here the amount of credit for the purchase or transmission of television programming made in Puerto Rico, according to Section 1051.14 of the Code. Every investor may claim up to 15% of the expenses paid by the television channel during the taxable year for which the credit is claimed.

This credit shall be subject to the entity obtaining a Compliance Certificate issued by the Department of Economic Development, according to the provisions of Section 1051.14 of the Code and any regulations issued in this regard.

Line 12 - Credit for contributions to former governors foundations

Enter here 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 charitable contributions 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 the aggregate for any taxable year.

To claim this tax credit, you must submit the certification issued by the recipient entity as evidence that the contribution was made and accepted; that the foundation is actively operating at the moment; that has a Certificate of Validation of Tax Exemption issued by the Treasury Department; and that complies with annual report submitted to the Special Joint Commission of Legislative Funds for Community Impact (as provided by 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 totally used.

Line 13 - Credit for payments of Membership Certificates by Ordinary and Extraordinary Members of Employees-Owned Special Corporations

It is granted that any person who receives a membership certificate as an ordinary or extraordinary member of an Employee-Owned Special Corporation, accredit equal to the 25% of the paid amount for such certificate up to \$1,000. The credit will be taken against the income tax determined for the year in which such payments were required to acquire the certificate, in total or in installments of one or more taxable years, as applicable. The granted credit may not be claimed against alternate basic contribution applicable to individuals.

If the amount of granted credit exceeds the income tax determined for the taxable year, the excess may be carried over to the next two future taxable years.

Refer to Section 1113.14 of the Code to determine who qualifies and the requirements that must be fulfilled in order to be able to use this credit.

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

Enter the 100% of the contribution made for the Santa Catalina's Palace Patronage or State Capitol of the Legislative Assembly Patronage (Patronages). The tax credits to be granted will not exceed \$2,500,000 for any taxable year.

In order for this tax credit to be claimed the certification issued by the Patronages needs to be submitted as evidence that the contribution was made and accepted. Any part of the credit not used during the taxable year when the contribution was made, may be carried over to the next taxable years till totally used.

Line 15 - Credit for investment (Section 6 of Act 73-2008)

Enter on this line the amount of credit to be claimed for industrial investment under Section 6 of Act 73-2008. This amount must 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 subsequent years.

To claim this tax credit the trust must submit with the return copy of the Administrative Determination issued by the Department of Treasury granting the credit.

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

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

Line 16 – Credit for investment in opportunity zones (Act 60-2019)

Enter on this line the amount of credit to be claimed for eligible investment in opportunity zones. The credit will be equal to the eligible percentage of your eligible investment and will be claimed as follows:

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

The credit will be claimed in four (4) installments: 25% in the year in which the exempt business finalized the construction or when the exempt business commenced operations, whichever the latter, and 25% of such credit balance in the next three (3) subsequent years.

- If the eligible investment is made after finalizing the construction of the Priority Project or after the commencement of operations of the exempt business:

The credit will 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 such term by regulation, administrative determination, circular letter or informative bulletin, for these purposes, 25% of such credit balance in the next three (3) subsequent years.

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

This credit can be applied to any other investor's tax determined, as provided in Subtitle A of the Code, including the alternate basic contribution applicable to individuals.

The credit not used in the taxable year may be carried over to subsequent years, until totally used.

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

In addition, every year the taxpayer claims the credit, a breakdown providing the year the credit is available to be used, taxable years in which the credit has already been claimed, credit expiration date, the amount of total credit and the amounts claimed on previous years must be included with the return.

For additional details, refer to Act 60-2019, as amended (Act 60-2019).

Line 17 - Credit for the purchase of tax credits

The grantors of a trust are entitled to claim their distributable share on tax credits acquired by the trust through the purchase, exchange or transfer from investors that generated the credits under any of the acts that grant tax credits. The trust, as the buyer of the credits, and the grantors, are subject to the limitations imposed to the investor from whom the credits were acquired with respect to the taxable years on which those credits can be considered, and the maximum amount of the credits to be claimed on each taxable year.

Enter here the total taxable credits acquired by the trust during the year through the purchase, exchange, or transfer and that are not subject to moratory under the dispositions of the Code.

In order to claim this credit, the conveyor and the cessionary must submit with the income tax return in the year of the cession, a sworn statement notifying the same to the Secretary.

You must complete Part V of page 2 of the return.

Line 18 - Other credits not subject to moratory not included in the preceding lines

Enter on this line the total amount of other tax credits not subject to moratory not included on the preceding lines. If on this line you included credits from different concepts, you must submit a schedule showing a breakdown of such credits. In addition, you must submit documents or evidence of any credit included on this line.

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

Enter in this part the net income from sources outside of Puerto Rico derived by the trust and the taxes paid by the trust outside of Puerto Rico on said net income. Use line 1 to determine the net income derived by the trust from sources of each country, territory, state, or possession indicated, and

include on line 2 the taxes paid or accrued to each one of these jurisdictions.

In this Part IV space is provided in order to show the place of origin, form type and income by country (up to 3 countries, in addition to the United States). If you received income from sources in, or paid taxes to, more than 3 jurisdictions in addition to the United States, you must detail 2 of the jurisdictions in Columns A and B and sum all remaining jurisdictions in Column C.

PART V – BREAKDOWN OF THE PURCHASE OF TAX CREDITS

Select the box that corresponds to the act (or acts) under which you acquired the tax credit. Enter in the space provided the amount of the tax credit available for the taxable year.

The limitation related to credits that are subject to moratory will be performed by the trustee in his/her income tax return, and will not be performed over each credit included in this part.

In order to claim any of the credits included in this part, the trust must include with the return a sworn statement notifying to the Secretary of the Treasury the purchase or transfer of the credit.

In addition, evidence of the credits that are being claimed must be submitted, for example, the Administrative Determination issued by the Department to the investor, granting the credit and the breakdown providing the detail of the year in which the credit is available to be used, the taxable years were the credit has been claimed, the expiration date of it, the total amount of credit and the amounts claimed in prior years.

PART VI – CHARITABLE CONTRIBUTIONS

Enter here the total amount or charitable contributions paid during the taxable year to a nonprofit religious, charitable, scientific, literary, educational or museological organizations, or to organizations for the prevention of cruelty or abuse of children, the elderly or disabled, or to 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 private shareholder or individual.

You may also claim a 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 Fund for the Financing of Cultural Affairs of Puerto Rico;
- the Puerto Rico Communitarian Foundation;
- the Corporation of the Symphonic Orchestra of Puerto Rico; or

- the Fund for Services Against Remediable Catastrophic Illnesses.

The Secretary will publish a list of nonprofit entities qualified to receive the contributions. It is an indispensable requirement to concede the deduction that the entity for which the contribution or donation provides services to the residents of Puerto Rico.

The contributions made to a municipality that conducts an activity or event of historic or cultural value, 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 donations, when the contributions or donations amount is \$50,000 or more, and is made in connection with the celebration of the centennial foundation of the municipalities. The total of said contributions is not subject to the limitations provided by the Code. If this type of contributions is included on this line, you must submit a schedule itemizing those contributions.

Enter the name, address, employer identification number and nature of the nonprofit entity to whom the contribution and amount paid was made. Transfer the total of charitable contributions to line 2A of Part II, Page 1 of the return.

PART VII – MEDICAL EXPENSES INCURRED AND PAID TO THE BENEFIT OF THE GRANTOR

Enter the total medical expenses paid by the trust to the benefit of the grantor that were not compensated by insurance or in any other form. Medical expenses are:

- 1) professional services rendered by physicians, dentists, radiologists, clinical pathologists, surgeons, nurses, or hospitals, within or outside Puerto Rico;
- 2) health or accident insurance premiums;
- 3) medicines for human consumption, destined to be used in the diagnosis, cure, mitigation, treatment, or prevention of illnesses, that were acquired solely and exclusively by medical prescription, if they have been prescribed by a doctor authorized to practice the medical profession in Puerto Rico and were dispatched by a pharmacist licensed in Puerto Rico; and
- 4) expenses incurred in the acquisition of any technological assistance equipment for persons with disabilities, specialized treatments, or chronic illnesses.

For purposes of this deduction, the term "technological assistance equipment" means: any object, equipment, or system part, purchased by the consumer, or provided by any agency or governmental dependency, that is original, modified or adapted, and that is used to maintain, increase or improve the capability of persons with disabilities. This includes but is not limited to: wheelchairs, motorized wheelchairs, motorized equipment used for mobility, adapted computers, electronic communication equipment, adapted computer programs, mechanic equipment used to read, hearing aids, among others.

You must keep for your records the invoice or receipt that indicates the cost of the equipment and a medical certificate that indicates that the equipment is necessary for the condition or illness of the

patient, and copy of the canceled or substitute checks, or receipts evidencing the payments made for medical assistance.

PART VIII – HOME MORTGAGE INTEREST ON QUALIFIED RESIDENTIAL PROPERTY LOCATED IN PUERTO RICO

Enter the amount of home mortgage interest paid or accrued to acquire, refinance, improve or build a property that constitutes a qualified residence. Include, in addition to the name and address of the banking or financing institution, the control number and the confirmation number for electronic filing of the Informative Return - Mortgage Interest (Form 480.7A).

Qualified residence means:

- 1) the principal residence of the taxpayer;
- 2) a second residence located in Puerto Rico and used by the taxpayer, or by any other person that has an interest in that property or by any member of his/her family, as a residence for a number of days that exceeds the larger of:
 - a. 14 days, or
 - b. 10% of the number of days during the taxable year in which the property has been rented at the prevailing rental market value.

Interest payments attributable to any portion of the mortgage debt in excess of the residence fair market value are not deductible.

A participant trust of a housing cooperative association may deduct payments representing home mortgage interest.

If you use a personal loan to acquire, build or improve a qualified residence, which is not accepted by a mortgage or financing institution as a mortgage guarantee or equity, you must keep for your records a copy of the property tax exemption application or of the appraised revision of the property.

In addition, loan origination fees (Points) paid directly by the borrower and loan discounts (Points) paid directly by the borrower, will be admitted as home mortgage interest deduction for the year in which they were incurred, as long as the following requirements are met:

- 1) they are reported on the Informative Return – Mortgage Interest (Form 480.7A),
- 2) they are paid to acquire the principal residence,
- 3) they are paid by the taxpayer; if they are financed through the mortgage loan, they will be deductible throughout the term of the loan, and
- 4) you must keep for your records a copy of the cancelled or substitute check.

In case were they are financed through a home mortgage loan, the deduction for which you are entitled will be the apportioned amount paid during the term of the loan.

Is important to note that for taxable years started after December 31, 2016, a taxpayer may claim this deduction, even when the taxpayer is not the debtor or co-debtor of the mortgage, when it can be proven that:

- I. is the legal owner of the property that guarantees the debt or the person who will suffer the real effect of the execution of it;
- II. made the total payments of the debt during the taxable year directly to the person required to file the informative return described in Section 1063.04 of the Code (Form 480.7A); and
- III. the debtor or co-debtor of the mortgage did not claim this deduction.

In order to be able to claim the deduction the taxpayer must submit with the tax return a sworn statement that complies with the requirements established on Section 1033.15(a)(1)(G) of the Code. The Trust must include copy of this sworn statement with its informative return.

PART IX – CASUALTY LOSS ON REAL PROPERTY THAT CONSTITUTES THE GRANTOR'S PRINCIPAL RESIDENCE

Enter the **losses with respect to real property used as the principal residence of the grantor**, occurred during the taxable year, not compensated by insurance or in any other form. Such losses must be **caused by hurricane, earthquake, storm, tropical depression, floods, fire, or other casualties**.

You must keep for your records a certification stating the amount of the loss and the type of damage suffered.

Also, you must keep for your records a certification from the Civil Defense or Fire Department if the loss was from fire, and any other documents, public deeds or appraisals which reflect the value of the property subject to the loss.

If after claiming the deduction, the trust receives any compensation from an insurance company or from a local or federal agency, you must include on the return the total amount received as part of the trust's gross income.

PART X – LOSS OF PERSONAL PROPERTY AS A RESULT OF CERTAIN CASUALTIES

Enter the losses suffered by the trust, with respect to automobiles, furniture, fixtures, and other household goods (excluding the value of jewelry and cash), not compensated by an insurance or in any other form, occurred during the taxable year due to earthquakes, hurricanes, storms, tropical depressions and floods. The deduction is limited to \$5,000 for the year in which the loss was incurred.

In order to be entitled to this deduction, the affected area must be declared as a disaster area by the Governor of Puerto Rico, and you must have claimed at the appropriate place within the time limit to do so, the benefits from the assistance programs approved for disaster.

You must keep for your records copy of the approved claim filed stating the damages suffered.

PART XI – CONTRIBUTIONS TO THE TRUST BY THE GRANTOR

Enter the name, address, social security number and contributions made by each grantor during the taxable year. You must also indicate the percentage share of each one of the grantors in the total assets or corpus of the trust.

PART XII – DISTRIBUTIONS TO BENEFICIARIES

Enter in this part the name, address, social security number and relationship of the beneficiaries of the trust. In Column A of this Part XII you must enter the total amount distributed or paid, during the taxable year, to each beneficiary. If income tax was withheld at source on the amount distributed, indicate such amount withheld in Column B of this Part XII.

PART XIII- DEDUCTION FOR INITIAL INVESTMENT IN A PRIVATE EQUITY INVESTMENT (SECTION 2042.03(d) OF ACT 60-2019, AS AMENDED, OR ACT 185-2014, AS AMENDED)

A trust that is considered an accredited investor, according to dispositions on Section 2042.03(d) of Act 60-2019 or Act 185-2014, as amended (Act 185-2014), may claim a deduction for its initial investment in a private equity fund (PEF) or in a Puerto Rico private equity fund (PEF-PR). For these purposes, the trust will be considered as an accredited investor if at the moment of the initial investment in a PEF or PEF-PR is a trust with total assets of more than five million dollars (\$5,000,000), that was not organized or created to purchase publicly traded securities and where a sophisticated person makes the purchase.

The amount allowable as deduction will be as follows:

- If the initial investment was made in a PEF, the maximum deduction amount will be 30% of the initial investment provided that such amount will not exceed 15% of the net income before the deduction; or
- If the initial investment was made in a PEF-PR, the maximum deduction amount will be 60% of the initial investment provided that such amount will not exceed 30% of the net income before the deduction.

Use the following worksheet to determine the amount of the allowable deduction on this return:

Determination of Deduction:

1. Amount of capital committed as initial investment that qualifies as contributed during the taxable year (From the certification issued by the PEF or PEF-PR) \$ _____
2. Applicable percentage:
 - If the investment was in a PEF, enter 30%
 - If the investment was in a PEF-PR, enter 60% %
3. Amount of deduction for initial investment contributed during the year (Multiply line 1 by the applicable percentage on line 2) ... \$ _____
4. Amount of deduction not claimed in previous years \$ _____
5. Total deduction for investment in a PEF or PEF-PR (Add lines 3 and 4)..... \$ _____

Deduction Limitation:

6. Net income (Subtract the result of the sum of line 2(A) through 2(E) of Part II, page 1 of the return from the sum of lines 1A through 1T, Part II, page 1 of the return). If the result is a loss, enter zero \$ _____
7. Applicable percentage:
 - If the investment was made in a PEF, enter 15%
 - If the investment was made in a PEF-PR, enter 30% %
8. Maximum amount allowed as a deduction (Multiply line 6 by the applicable percentage of line 7) \$ _____
9. Allowable deduction on this return (Enter the smaller between lines 5 and 8. Transfer this amount to line 1, Part XIII, page 3 of the return) \$ _____

The amount of the deduction not claimed in the first year may be carried forward for a maximum period of 10 years if the investment was made in a PEF and 15 years if the investment was made in a PEF-PR. For additional details, refer to Act 185-2014 or to Section 2042.03(d) of Act 60-2019.

To claim this deduction, the trust must include with the return the following documents:

- 1) An official certification issued by the PEF or PEF-PR, printed with the fund's letterhead and signed by a managing partner or principal officer, with the following information:
 - Name and employer identification number of the PEF or PEF-PR;

- If the fund is 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.
- 2) An attachment that includes the worksheet used to determine the amount of this deduction.
 - 3) Copy of the Sworn Statement under which the Fund made the election or copy of the election made in SURI, according to the dispositions in Circular Letter of Internal Revenue No. 19-03 of February 5, 2019.
 - 4) Copy of the Sworn Statement under which the Fund made the election under Act 185-2014 or copy of election made under Act 185-2014 or Act 60-2019 carried out through SURI, according to the dispositions in Circular Letter of Internal Revenue No. 19-03 of February 5, 2019.
 - 5) In those cases where the taxpayer is claiming a deduction carried from prior years, a detail indicating the taxable year in which the deduction was generated, the amount of deduction generated by the investor, the amount of such deduction that was claimed in previous years, the amount of deduction available for the taxable year and the expiration date of any available balance not claimed to be used in subsequent years.