

Form 480.60 SE

Rev. 02.15



Commonwealth of Puerto Rico
DEPARTMENT OF THE TREASURY

INFORMATIVE RETURN SPECIAL PARTNERSHIP
Partner's Distributable Share
on Income, Losses and Credits

Taxable year beginning on _____, 20____ and ending on _____, 20____

Serial Number

20__

Partner's Name and Address, Social Security Number, Partnership's Name and Address, Employer Identification Number, Type of Industry, OPTION 94, AMENDED

Part I PARTNER'S INFORMATION

A. Managing Partner, Limited Partner, Unlimited Partner; B. TYPE: Individual, Partnership, Corporation; C. STATUS: Resident, Non resident; D. Share percentage on: Losses, Gains; E. Portion of current debts from the Special Partnership; F. Debts attributable to partners of the Special Partnership; G. Indicate if the Partnership elected the exemption under the following acts; H. Special partnership's merchant registration number.

FOR PARTNER'S USE

CHECK HERE Election to apply Section 1114.06(b) of the Puerto Rico Internal Revenue Code of 2011, as amended. (Option to treat certain items as ordinary income (or loss)). \$ (See instructions)

Part II ANALYSIS OF PARTNER'S CAPITAL ACCOUNT

Table with 6 columns: (a) Capital contributions made during the year, (b) Other increases to basis, (c) Partner's distributable share on the gain or loss from the Special Partnership, (d) Partner's debts assumed and guaranteed by the Special Partnership, (e) Withdrawals and distributions, (f) Other decreases to basis.

Part III DISTRIBUTABLE SHARE PER CATEGORY

Table with 3 columns: Description, Amount, Tax Withheld. Rows include Net long-term gain, Net short-term gain, Net gain on sale of assets, Net gain on sale of property, Net income from partnership, Net income from partially exempt income, Net income from income subject to a preferential rate, Eligible distribution of dividends, Interest income, Distributable share on income, Others, Exempt income, Adjustment for purposes of the alternate basic tax, Adjustment for purposes of the alternative minimum tax, Volume of business.

Part IV NONRESIDENT ALIEN PARTNERS

Table with 3 columns: Description, Amount, Tax Withheld. Row 1: Distributable share in the partnership's net income.

Part V CREDITS

Table with 3 columns: Description, Amount, Tax Withheld. Rows include Credit for investment in a Capital Investment Fund, Credit attributable to losses in a Capital Investment Fund, Credit for tax withheld at source from Industrial Development dividends, Credit for the purchase of tax credits, Other credits not included on the preceding lines, Total Tax Credits.

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

	Foreign Country, Territory or Possession of the United States			United States	Total
	A	B	C		
Name of the country, territory or possession					
1. Net income from sources within the country, territory or possession .. (1)	00	00	00	00	00
2. Tax paid or accrued during the year (2)	00	00	00	00	00

Retention Period: Ten (10) years



Rev. 02.15

Commonwealth of Puerto Rico
Department of the Treasury

INFORMATIVE RETURN - SPECIAL PARTNERSHIP

**PARTNER'S DISTRIBUTABLE SHARE ON THE
INCOME, LOSSES AND CREDITS**

FORM 480.60 SE

INSTRUCTIONS

GENERAL INSTRUCTIONS

**OBLIGATION TO FILE THE SPECIAL PARTNERSHIP
INFORMATIVE RETURN**

Every special partnership that is required to file a Special Partnership Informative Income Tax Return must provide to each partner a report containing the information required to be included on the partner's income tax return. The information must be provided in Form 480.60 SE (Special Partnership Informative Return – Partner's Distributable Share on Income, Losses and Credits).

Each partner must submit this Informative Return with the income tax return.

**DATE ON WHICH THE REPORT MUST BE PROVIDED TO
PARTNERS**

The special partnership has until the last day of the third month following the close of the taxable year to provide the informative return to the partners. **Copy of the partner's report must be sent to the Department of the Treasury together with the Special Partnership Informative Income Tax Return (Form 480.10(E)) when the same is filed.**

**REQUEST FOR EXTENSION OF TIME TO FILE THE
PARTNER'S REPORT**

A 30 days automatic extension of time will be granted from the date prescribed to file the partner's report. This will be made through the Request for Extension of Time to File Reports of Partnership, Special Partnership, Corporation of Individuals, Employees-Owned Special Corporation and Revocable Trust or Grantor Trust (Form AS2644.1).

**ESTIMATED PAYMENT REQUIREMENT ON PARTNER'S
DISTRIBUTABLE SHARE**

Section 1062.04 of the Puerto Rico Internal Revenue Code of 2011, as amended (Code), provides the requirements for the income tax estimated payments attributable to the partner's distributable share on the income from the special partnership.

The managing partner or any other persons to whom the obligation to provide the report to the partners has been delegated, must determine and send an amount equal to 30% of the total estimated partner's distributable share on the income items from a partnership, less the total withheld with respect to judicial or extrajudicial indemnification payments and payments for services rendered.

Such payments must be deposited in the Department of the Treasury in 4 equal installments not later than the 15th day of the fourth, sixth, ninth and twelfth month of the special partnership's taxable year using Form 480.9A (Withholding Tax Payment Voucher) or substitute form.

In the case of a partner that is a nonresident alien individual or a foreign corporation not engaged in trade or business in Puerto Rico, the amount to be withheld attributable to its distributable share on the net income from the special partnership will be determined on a 29% basis.

The tax withheld will be sent to the Department of the Treasury using Form 480.9A (Withholding Tax Payment Voucher) or substitute form. The deposit must be made not later than the 15th day of the third month following the close of the special partnership's taxable year.

**HOW MUST THE PARTNERS REPORT THESE ITEMS IN THEIR
INCOME TAX RETURNS?**

The partner must include each one of the items indicated in his income tax return as if such items were realized directly by him, since the Code provides that the nature, source and character of the income, gains, losses and credits items included in the partner's distributable share will be determined as if such items were realized by the partner directly from the source from which the special partnership realized them, or incurred in the same way that they were incurred by the special partnership. In the same way, the partner's distributable share on income from sources outside of Puerto Rico earned by the special partnership will retain the character of the income from sources outside of Puerto Rico in the hands of the partner.

Nevertheless, Section 1114.06(b) of the Code provides that the partner may elect to treat its distributable share on lines 1, 2, 4, 5, 8, 9, 10 and 11 of Part III as part of the partnership's net income or loss. In this case, the amount allowable as a deduction for its distributable share on the loss from the sale or exchange of capital assets by the partnership will be limited to the partner's distributable share on the capital gains realized by the partnership. Once the election is made for a particular taxable year, the same is irrevocable with respect to such year.

SPECIFIC INSTRUCTIONS

Enter the information required in each space. The special partnership is required to provide this informative return to each partner completed in all parts, so the partner can complete the income tax return to be filed with the Department of the Treasury.

Enter the name and address of the partner and special partnership, as well as the social security number, employer identification number and type of industry.

PART I – PARTNER’S INFORMATION

Indicate on lines A through H, the information that describes what applies to the partner, as it corresponds.

Line E – Indicate the partner’s share on the debts incurred by the special partnership, including obligations guaranteed and non guaranteed by the partners. The partner’s basis will increase by those obligations guaranteed by such partner.

Line F – Enter the special partnership’s debts attributable to the partner with respect to operations covered under Act 78-1993 and Act No. 52 of 1983.

PART II – ANALYSIS OF PARTNER’S CAPITAL ACCOUNT

Column (a) – Enter any capital contributed by the partner during the taxable year.

Column (b) – Enter any other basis increase attributable to the partner. You must submit a schedule detailing the nature of each item included on this line.

Column (c) – Enter the partner’s distributable share on the gains or losses from the special partnership during the taxable year.

Column (d) – Enter the amount attributable to the partner’s debts assumed and guaranteed by the special partnership. The partner must include the information provided on this line on Schedule R Individual, Part I, line 3(i).

Column (e) – Enter the amount attributed to withdrawals or distributions made by the special partnership to the partner, excluding the amount attributed to income tax for withholdings at source on the distributable share made to a nonresident partner (30%) or to a nonresident alien partner (29%). Do not include on this line the partner’s debts that had been assumed and guaranteed by the special partnership.

Column (f) – Enter the amount attributed to other decreases to the partner’s basis in the special partnership.

For purposes of computing the loss that you are entitled to claim, you must determine the adjusted basis of the partner’s interest according to Section 1114.17 of the Code.

The partner’s losses in one or more special partnerships are allowed as a deduction against the income from other special partnerships, against income from partnerships and against income from corporations of individuals in which the partner is a shareholder. Each loss may be considered up to the amount of the adjusted basis of the partner’s interest in each corresponding partnership.

The limitation of the adjusted basis will be computed for each one of the special partnerships in which the partner invests.

If the loss deduction allowable to the partner for any taxable year is less than its distributable share in the partnership’s net loss, the partner may claim such excess as a deduction in any future taxable year, subject to the previously explained limitations.

PART III – DISTRIBUTABLE SHARE PER CATEGORY

Enter in each of the spaces provided, the partner’s distributable share on the applicable item and the corresponding tax withheld, if any.

Line 1 - Net long-term gain (or loss) on sale or exchange of capital assets

Enter on line 1(a) the partner’s distributable share on the gain or loss derived from the sale or exchange of capital assets held by the special partnership for more than six (6) months realized before July 1, 2014.

Enter on line 1(b) the partner’s distributable share on the gain or loss derived from the sale or exchange of capital assets held by the special partnership for more than one (1) year realized on or after July 1, 2014.

Line 2 - Net short-term gain (or loss) on sale or exchange of capital assets

Enter on this line the distributable share on the gain or loss derived from the sale or exchange of capital assets held by the special partnership for: (i) six (6) months or less, in the case of transactions realized before July 1, 2014 or; (ii) one (1) year or less, in the case of transactions realized on or after July 1, 2014.

Line 5 - Net income (or loss) from the partnership’s trade or business

Include on this line the partner’s distributable share on the net income or loss from the operations of the eligible activities. Do not include in this item gains or losses identified on other lines of this Part.

Enter on line 5(a) the share of the special partnership’s net income attributable to services rendered by the partner and not paid to the partner as salaries or compensation for services rendered.

The amount on line 5(a) must be reported by the partner as income from services or from trade or business in its income tax return.

Enter on line 5(b) the difference between the amount on line 5 and the amount attributable to the services rendered by the partner reported on line 5(a).

The amount on line 5(b) must be informed by the partner on Schedule R of its income tax return.

Line 6 - Net income (or loss) from partially exempt income

Enter on this line the partner’s distributable share on the net income or loss from operations under Act No. 52 of 1983, Act No. 47 of 1987, Act 78-1993, Act 225-1995, Act 74-2010 or Act 132-2010.

Line 7 - Net income (or loss) from income subject to a preferential rate

Enter on this line the partner’s distributable share on the net operating income or loss subject to a fixed special tax rate, such as income under Act 83-2010, known as the Puerto Rico Green Energy Incentives Act. Enter in the second Column the tax determined and deposited by the special partnership, as determined on Form 480.10(E). In the case of an individual partner, such tax withheld must be included on Schedule B Individual, Part III, line 10(c).

Line 8 - Eligible distribution of dividends from corporations

The partners may claim separately in their returns the dividends received by the special partnership, from eligible dividends distributions, as defined in Section 1023.06 of the Code, according

to their distributable share therein, with their share of tax withheld. In the case of an individual partner, such tax withheld must be included on Schedule B Individual, Part III, line 10 (b) and in the case of a corporate partner, it will be included on Schedule B Corporation, Part III, line 6(b).

Enter on line 8(a) the total of partner's distributable share in the eligible dividend distributions received by a special partnership that were paid by a corporation before July 1, 2014, along with the portion of the 10% tax withheld.

Enter on line 8(b) the total of partner's distributable share in the eligible dividend distributions received by a special partnership that were paid by a corporation on or after July 1, 2014, along with the portion of the 15% tax withheld.

As elected by the partners, said income may be included in the special partnership's net income to determine the special partnership's income or loss, as provided by Section 1114.06(b) of the Code.

Line 9 - Interest income from deposits in financial institutions

Enter on this line the partner's distributable share on the income derived by the special partnership from interest on investments or deposits in cooperatives, savings associations authorized by the Federal Government or by the Commonwealth of Puerto Rico, commercial and mutual banks or in banking organizations established in Puerto Rico, as well as the 10% amount withheld, if the election was made. In the case of an individual partner, such tax withheld must be included on Schedule B Individual, Part III, line 10(a).

Line 10 - Distributable share on income, gain or loss from a partnership or special partnership owned by the special partnership

The special partnership can be a partner in other special partnership (inferior partnership) or in a partnership.

This line will reflect the distributable share on income or loss from the inferior partnership or from partnerships attributable to the special partnership.

Line 11 - Others

Enter on this line the partner's distributable share on the total of other income not included on the preceding lines. If this line includes income from different concepts, you must submit a schedule showing a breakdown of such income.

Line 12 - Exempt income

Enter on this line the partner's distributable share on the total amount of exempt income derived by the special partnership.

Line 13 - Exempt income subject to alternate basic tax

Enter on this line the individual partner's distributable share on the total amount of exempt income subject to alternate basic tax.

Line 14 - Adjustment for purposes of the alternate basic tax

Enter here the partner's distributable share in any adjustment to the income from the special partnership that, at the special partnership's individual partner level, are considered amounts subject to alternate basic tax, including but not limited to, the adjustment for the determination of the share in the profit or loss from certain special

partnerships under the percentage of completion method. Refer to Regulation No. 8329 of January 9, 2013.

Line 15 - Adjustment for purposes of the alternative minimum tax

Enter here the partner's distributable share in any adjustment to the income from the partnership that, at the special partnership's corporate partner level, are considered amounts subject to alternative minimum tax. **You must submit a schedule detailing the nature of each item included on this line with the amount of each adjustment per item.**

Line 16 - Volume of Business

Enter here the partner's distributable share on the total special partnership's volume of business in order to determine the requirement to file financial statements.

PART IV – NONRESIDENT ALIEN PARTNERS

Enter on line 1 of this Part IV the distributable share of a nonresident alien partner on the special partnership's net income and corresponding withholding.

PART V - CREDITS

Act 40-2013 established a moratorium to certain tax credits and the essential requirement to all credit holders to inform the Secretary of the Treasury the amount of credits granted and approved as of June 30, 2013. Every taxpayer owning a tax credit must refer to the Internal Revenue Circular Letter No. 13-08 of July 22, 2013 ("CC 13-08"), that establishes the information and procedures related to the tax credits affected by Act 40-2013.

Every taxpayer that wishes to claim a tax credit, must submit with the return, copy of Form 480.71.1 "Informative Return for Tax Credit Holders" duly filed with the Department, as provided by CC 13-08.

Line 1 - Credit for investment in a Capital Investment Fund, Tourism, other funds or direct investments

In order to claim this credit you must complete Schedule Q, available in the Forms and Publications Division of the Department of the Treasury, and include it with Form 480.10(E).

Line 2 - Credit attributable to losses in a Capital Investment Fund or other funds

See instructions of Schedule Q and Q1 related with the allowable credits for losses in investment funds.

Line 3 - Credit for tax withheld at source from Industrial Development dividends (Act No. 8 of 1987)

The partners of a special partnership will be entitled to claim, according to the percentage applicable to the distributable share on the special partnership, a credit as established in Section 4(a) of the Incentives Act, against the tax due for the year in which the special partnership received, as an investor, a distribution from Industrial Development Income.

Enter on this line the partner's distributable share on the tax withheld at source to the special partnership on dividends from Industrial Development Income.

Line 4 - Credit for the purchase of tax credits

Enter here the partner's distributable share on the tax credits acquired by the special partnership during the year through the purchase, exchange or transfer from the primary investor.

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

Line 5 - Other credits not included on the preceding lines

Enter on this line the partner's distributable share on the total amount of other credits 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. You must also submit documents or evidence to support every credit claimed on this line.

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

Enter in this part the partner's distributable share on the net income from sources outside of Puerto Rico derived by the special partnership and on the taxes paid by the special partnership outside of Puerto Rico on said net income. This Part VI provides space to include the income per country of up to 3 countries, in addition to the United States. If there is income derived from more than 3 countries, please submit a schedule breaking down the net income and tax paid to each country.

Line 1 – Net income from sources within the country, territory or possession

Enter on this line the partner's distributable share on the net income from sources outside of Puerto Rico derived by the special partnership. This amount must be reported per country, as determined on line 3, Part I of Schedule C Corporation submitted by the special partnership with its Special Partnership Informative Income Tax Return (Form 480.10(E)).

Line 2 - Tax paid or accrued during the year to a foreign country, the United States, its territories or possessions

Enter on this line the partner's distributable share on the income tax paid or accrued to the United States, its possessions or foreign country as reported in Part II of Schedule C Corporation submitted by the special partnership with its Special Partnership Informative Income Tax Return (Form 480.10(E)).