



**APPORTIONMENT OF THE DEDUCTION FOR THE SURTAX
COMPUTATION – GROUP OF RELATED ENTITIES**

20__

AMENDED

Name of the contact person for the group

Group Number

Address

Telephone Number

E-mail

Group Information

Members of the group	Taxable year end (day/month)	Type of entity	(A) Volume of business for purposes of filing audited financial statements	(B) Deduction for the computation of surtax (cannot exceed \$25,000)
Name				
Employer identification number				
Name				
Employer identification number				
Name				
Employer identification number				
Name				
Employer identification number				
Name				
Employer identification number				
Name				
Employer identification number				

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DO NOT USE FOR FILING.

1. Subtotal of Column (A) of this page	(1)	
2. Subtotal of Column (A) of additional pages	(2)	
3. Total of Column (A) (Add lines 1 and 2)	(3)	
4. Subtotal of Column (B) of this page	(4)	
5. Subtotal of Column (B) of additional pages	(5)	
6. Total of Column (B) (Add lines 4 and 5. The amount on this line cannot exceed \$25,000)	(6)	

OATH

I declare under the penalty of perjury that this form has been examined by me, and that to the best of my knowledge and belief, all the information provided in the same, is true, correct and complete.

Name	Signature	Title	Date
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Apportionment of the Deduction for the Surtax Computation – Group of Related Entities

Page _____ of _____

Members of the group	Taxable year end (day/month)	Type of entity	(A) Volume of business for purposes of filing audited financial statements	(B) Deduction for the computation of surtax (cannot exceed \$25,000)
Name				
Employer identification number				
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Name				
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Name				
Employer identification number				
Name				
Employer identification number				
Name				
Employer identification number				
Name				
Employer identification number				

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7. Subtotal of this page (Transfer the subtotal of Column (A) to page 1, line 2 and the subtotal of Column (B) to page 1, line 5) (7)

APPORTIONMENT OF THE DEDUCTION FOR THE SURTAX COMPUTATION – GROUP OF RELATED ENTITIES (FORM AS 2652.1)

GENERAL INSTRUCTIONS

Purpose - The main purpose of this form is to comply with the notification requirement imposed by Section 1061.15(a)(4) of the Puerto Rico Internal Revenue Code of 2011, as amended ("Code"), to include the required information for each of the entities that is part of the group of related entities, as established in Section 1010.05 of the Code.

For purposes of this form, the terms detailed below will have the following meaning:

a) *Group of Related Entities* - For purposes of the Code, the term "group of related entities" means:

1. a controlled group of corporations, as such term is defined in Section 1010.04 of the Code, or
2. one or more chains of entities, related through ownership of stocks or participation in the interest with a parent entity or any other person or persons in common, if:
 - A. the parent entity directly owns stocks possessing at least fifty (50) percent of the total combined voting power of all classes of stock entitled to vote or of the total value of shares of all classes of stocks or participation in the interest of at least one (1) of the entities in the group of entities;
 - B. for each of the entities in the group, another entity in the group owns stock possessing at least fifty (50) percent of the total combined voting power of all classes of stocks or participation in the interest of said entity; and
 - C. one person directly owns stocks with more than fifty (50) percent of the shares or interest with the right to vote or of the total value of all classes of stocks or participation in the interest of at least one (1) of the entities within the group of entities.

b) *Related Person* - A person will be considered as a "related person" to the taxpayer if such person is:

1. a component member of a controlled group of corporations, as such term is defined in Section 1010.04 of the Code, except that, for these purposes, paragraph (2) of subsection (b) of such Section shall not be taken into account to exclude the corporations therein described; or
2. an entity, at least fifty (50) percent in the value of the stock or interest in such entity of which is owned directly or indirectly by such taxpayer; or
3. an entity which owns directly or indirectly at least fifty (50) percent of the value of its stocks or interest in such entity; or
4. an entity, at least fifty (50) percent of the value of its stocks or interest in such entity of which is owned by a person who also owns directly or indirectly, at least fifty (50) percent of the value of the stocks or interest of the taxpayer; or
5. a brother or sister (whether by the whole or half-blood), the spouse, an ascendant or lineal descendant.

c) *Controlled Group of Corporations* - For purposes of the Code, the term "controlled group of corporations" means any:

1. *Parent-subsidiary controlled group* - One or more chains of corporations connected through stock ownership with a common parent corporation if:
 - A. stock possessing at least eighty (80) percent of the total combined voting power of all classes of stocks entitled to vote, or at least eighty (80) percent of the total value of all classes of stocks of each of the

- corporations, except the common parent corporation, are owned (within the meaning of subsection (d)(1) of Section 1010.04 of the Code) by one or more of the other corporations; and
- B. the common parent corporation owns (within the meaning of subsection (d)(1) of Section 1010.04 of the Code) stocks possessing at least eighty (80) percent of the total combined voting power of all classes of stocks entitled to vote, or at least eighty (80) percent of the total value of all classes of stocks of at least one of the other corporations, excluding, in computing such voting power or value, stocks held directly by such other corporations.

2. *Brother-sister controlled group* - Two (2) or more corporations, if five (5) or fewer of the same persons, other than the corporation, own (within the meaning of subsection (d)(2)(A) of Section 1010.04 of the Code) stocks possessing more than fifty (50) percent of the total combined voting power of all classes of stocks entitled to vote, or more than fifty (50) percent of the total value of all classes of stocks of each of the corporations.

3. *Combined group* - Three or more corporations each of which is a member of a group of corporations described in paragraph (1) or (2) and one of which:

- A. is a common parent corporation, included in a group of corporations described in paragraph (1), and also
- B. is included in a group of corporations described in paragraph (2).

d) *Entity* - Means all trade or business carried out by:

1. a corporation, limited liability company or partnership subject to tax under Subchapter B of Chapter 2 of Subtitle A of the Code;
2. a limited liability company or partnership subject to tax as a partnership under the provisions of Chapter 7 of Subtitle A of the Code;
3. a corporation, limited liability company or partnership subject to tax as a special partnership under the provisions of Subchapter D of Chapter 11 of Subtitle A of the Code;
4. a corporation or limited liability company subject to tax as a corporation of individuals under the provisions of Subchapter E of Chapter 1 of Subtitle A of the Code; and
5. a corporation, limited liability company, partnership or any other type of foreign entity which, if engaged in trade or business in Puerto Rico, would be subject to the provisions of paragraphs (1), (2), (3) or (4) described above.

Provided that the entities described in paragraphs (2), (3) and (4) included above will not be considered as a corporation for purposes of the provisions of Subchapter D of Chapter 3 of Subtitle A of the Code.

Also, this form will be used by those corporations that are part of the group of related entities to include the portion of the deduction of \$25,000 that they will claim to determine the net income subject to surtax in their corporate income tax return, as provided in Section 1022.02(d) of the Code.

All groups of related entities, must register using the platform that will be available in the Internal Revenue Integrated System ("SURI", for its Spanish acronym) for these purposes. As part of this registration process, each group must designate a principal member, with knowledge of the operations of the group and the entities that conform it, as the person responsible for managing and updating the group's account in SURI.

Once the registration is completed, SURI will issue a letter including the assigned group identification number. All entities that are part of the group of related entities must include said group number in the space provided in their respective income tax return.

In the case of existing groups as of January 1, 2019, they will not have to file a new registry in SURI. However, the principal member must access SURI to modify the composition of the group to include all pass-through entities that are part of the group of related entities, as defined in Section 1010.05 of the Code.

Filing Date - For taxable year 2019, this form shall be electronically filed through SURI no later than the due date for filing the income tax return of the first corporation member of the group which taxable year has commenced on or after January 1st, 2019.

Where to File - The Principal Member will be responsible for electronically filing the form only through SURI, using the following link: suri.hacienda.pr.gov.

SPECIFIC INSTRUCTIONS

Indicate the group identification number, as well as the name, address, telephone and e-mail of the principal member designated by the group.

Information of the Group

Indicate in the spaces provided the name, employer identification number and taxable year end (day and month) of each one of the entities that are members of the group of related entities. If the group is composed by more than six (6) entities, use page 2 of this form. Please indicate in the space provided the page number and the total pages included.

In addition, in the Entity type Column, indicate the category of each of the group member's entities. You must select among the following codes:

- C** - Corporation
- CI** - Corporation of Individuals
- CL** - Limited Liability Company (under Chapter 7 of Subtitle B of the Code)
- S** - Partnership (under Chapter 7 of Subtitle B of the Code)
- SE** - Special Partnership

Column A - Volume of business for purposes of filing audited financial statements

Indicate the volume of business of each one of the entities, determined in accordance with the provisions of Section 1061.15(a)(4)(A) of the Code. In the case of related entities, the volume of business will be determined by adding the gross income generated by each one of the member entities of the group without considering deductions.

The requirement to submit information of all member entities of a Group of Related Entities in the notes of the audited financial statements, as provided in Section 1061.15(a)(4) of the Code, shall be deemed fulfilled if the group of related entities complete and file this Form AS 2652.1. To be considered in compliance with this requirement, all entities (corporations and pass-through entities) that are part of the group of related entities must be included in this form, including those that are not required to file audited financial statements.

Column B - Deduction for the computation of surtax

Section 1022.02(d)(2) of the Code establishes that, in the case of corporations members of a group of related entities, the allowable deduction to determine the surtax shall be apportioned or assigned among all the members of the group.

Indicate in this Column the portion of the \$25,000 deduction for the calculation of the surtax that corresponds to each one of the corporations that are members of the group. The group can assign the total amount of said deduction to only one corporation, or apportion it among all or some of them, at its discretion.

Lines 1, 2 and 3 - Add Column A of the first page and include the result on line 1. If you are including additional pages, add Column A of all the additional pages and include the total on line 2. Add the totals indicated on lines 1 and 2, and include the result on line 3.

Lines 4, 5 and 6 - Add Column B of the first page and include the result on line 4. If you are including additional pages, add Column B of all the additional pages and include the total on line 5. Add the totals indicated on lines 4 and 5, and include the result on line 6. The total on line 6 cannot exceed \$25,000.