

October 19, 2001

**INFORMATIVE BULLETIN NO. 01- 05**

**ATTENTION: 936 CORPORATIONS**

The purpose of this bulletin is to inform all 936 corporations that the Department of Treasury has decided to derogate Informative Bulletins 99-08, 00-01, 00-02, 00-03 and any other previous pronouncements regarding the Puerto Rico income tax treatment of the deduction for income taxes imposed by the United States on income effectively connected with a 936 corporation's trade or business in Puerto Rico.

Any issues related to the above referred deduction will be handled by this Department on a case by case basis in accordance with the procedures provided in the Puerto Rico Internal Revenue Code of 1994, as amended.

Cordially,

Juan A. Flores Galarza

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