

October 27, 2003

INFORMATIVE BULLETIN FROM INTERNAL REVENUE NO. 03-02

ATTENTION: EMPLOYERS AND WITHHOLDING AGENTS

SUBJECT: DISTRIBUTION OF WITHHOLDING STATEMENTS AND INFORMATIVE RETURNS

Section 1141(n)(2) of the Puerto Rico Internal Revenue Code of 1994, as amended (Code), provides that every employer required to deduct and withhold income tax at source from employee wages, will provide to each such employee a Withholding Statement (Form 499R-2/W-2PR) not later than **January 31 of the following year**.

The Code further provides that every person engaged in trade or business within Puerto Rico who makes payments with respect to rents, compensations (salaries), benefits, interest, dividends, services rendered, or judicial indemnification, among others, shall provide an Informative Return (Forms 480.6A and 480.6B) to the income receiver not later than **February 28 of the following year**.

On August 21, 2003, the Department of the Treasury (Department) sent the Notification to Employers and Withholding Agents - Issuance of Withholding Statements and Informative Returns (Form AS 6134) to employers, public and private corporations, agencies of the state and municipal government, or companies' representatives (hereinafter withholding agents).

For taxable year 2002, the Department implemented a mechanism to file the Withholding Statements and Informative Returns (Forms) through magnetic media or electronic transfer, for those withholding agents who were required to file 15 or more of these Forms. For taxable year 2003, the requirement to file through magnetic media or electronic transfer **will apply to those withholding agents who are required to file 10 or more of these Forms**. Therefore, only those withholding agents who requested less than 10 Forms will be receiving the same by mail, and this process will be completed **no later than December 15, 2003**.

Notwithstanding, on October 22, 2003 the Department sent a Notification to all withholding agents, **including those required to file less than 10 Forms**, with the Access Code to use the 2003 W-2 and Informative Returns Program (Program) developed by the Department. Therefore, all withholding agents **have the option** to use the Program, even though not required to file the Forms through magnetic media or electronic transfer.

The Access Code for taxable year 2003 is the same that the Department assigned you for taxable year 2002. To obtain additional information regarding the Program, Access Code or control numbers, you may call (787) 721-2020 extension 4511 or send a fax to (787) 977-1337 or (787) 977-1338.

The person who will be coming to pick up the Forms, except for Returns, Declarations or Refund Claims Specialists (Specialists) to whom the requirements detailed below apply, must comply with the following requirements:

1. Submit an official letter (in letterhead paper) specifying:
 - a. withholding agent's name;
 - b. employer identification number;
 - c. amount of Withholding Statements or Informative Returns requested; and
 - d. name of person authorized to receive the Forms.
2. Show an official identification with photo.
3. Pick up the Forms **after December 14, 2003**.

Specialists requesting Withholding Statements and Informative Returns must comply with the following requirements:

1. Submit a list of their clients that includes the client's name, employer identification number and amount of Withholding Statements or Informative Returns requested by each client.
2. Submit the original **Form AS 6134** for each client to avoid duplication of the Forms requested.
3. Present a letter signed by each client authorizing the Specialist to request and receive the Forms.
4. Indicate their social security or employer identification number and their Specialist registry number.

5. Present identification with photo of the person authorized to pick up the Forms.
6. Pick up the Forms **after December 14, 2003**.

The Forms will be distributed in the following locations:

San Juan

Department of the Treasury
Returns Processing Bureau
Employer and Estimated Tax Payments Application Section
5th Floor, Office 511
Intendente Alejandro Ramírez Building
10 Paseo Covadonga
Tel: (787) 721-2020 ext. 2605 to 2608
Fax: (787) 725-3327

Taxpayer Service Offices:

Mayagüez

Governmental Center
1st Floor, Office 102
#50 Nenadich Street
Tel: (787) 265-5200
Fax: (787) 834-3919

Ponce

Eurobank Building
#26 Hostos Avenue
Tel: (787) 844-8800
Fax: (787) 842-3856

It is important to clarify that the Tax Returns Processing Bureau and the Taxpayer's Service Offices will NOT process any application requesting 10 OR MORE FORMS or that does not comply with the requirements mentioned above.

The provisions of this Informative Bulletin shall be effective immediately.

Cordially,

Juan A. Flores Galarza