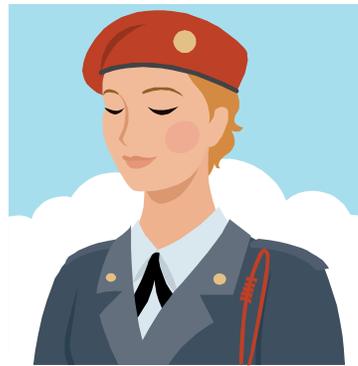


Informative Booklet

To Provide Guidance on the Income Tax Responsibilities of Federal, Military and Other Employees



This booklet offers valuable information to all federal, military and other employees, who must file an income tax return locally. Remember that the obligation to file an income tax return with the Commonwealth of Puerto Rico depends upon the taxpayer's condition as a resident or non-resident of Puerto Rico and upon the source of the income received.

Due to the fact that federal and military personnel must file both the federal and local income tax returns, they may claim a credit on the return corresponding to the jurisdiction where the services were not rendered. For this reason, at the Department of the Treasury, we have compiled the most frequently asked questions regarding the Puerto Rico Internal Revenue Code to assist you in complying with local tax requirements.

For additional information, please call (787) 722-0216. Also, you can access our site on the Internet at www.hacienda.gobierno.pr.

1. Who must file an income tax return in Puerto Rico?

Every individual resident of Puerto Rico who is an individual or married taxpayer and whose gross income for the taxable year, net of exemptions, exceeds \$5,000;

Every individual not resident of Puerto Rico, citizen of the United States, who is an individual or married taxpayer and whose gross income from Puerto Rico sources for the taxable year, net of exemptions, exceeds \$5,000, unless the taxes have been paid at source in full;

Every individual who is married living with spouse, and opts to file a separate tax return and whose gross income for the taxable year, net of exemptions, exceeds \$2,500;

Every nonresident alien who during the taxable year has income from Puerto Rico sources subject to tax, unless the taxes have been paid at source in full; or

Every individual who during the taxable year has net income subject to alternate basic tax of \$150,000 or more.

2. How is it determined if an individual is a Puerto Rico resident or not?

Civil employees:

For purposes of the Code, a “resident individual” means an individual who is domiciled in Puerto Rico. A taxpayer’s domicile is determined according to the facts and circumstances of each particular case. Generally, an individual is presumed to be a resident of Puerto Rico if he has been present in Puerto Rico at least 183 days during the calendar year. Nevertheless, if the individual's intention is to establish his permanent residence in Puerto Rico (even if the 183 days rule is not accomplished), some relevant factors showing the intention will be considered, such as:

- Where is the individual’s principal residence located?
- Where is his/her family residence located?
- Where does he/she vote?
- Where are his social, politics, cultural and religious affiliations?

Military Personnel:

Pursuant to Section 514 of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, members of the United States Armed Forces are considered residents of the state or country where they had established their residence at the moment they enlisted in the Armed Forces, unless a change of address is formally requested afterwards through Form DD 2058 – Change of Legal Residence.

3. When must the income tax return be filed?

The income tax return must be filed on or before the 15th day of the fourth month following the close of your taxable year.

4. May Federal Government employees file the Short Form of the Puerto Rico Income Tax Return?

Yes, but only if they comply with all of the following requirements:

- a. gross income is not more \$100,000;
- b. income consists only of salaries, wages or tips from Puerto Rico sources, wages from the Federal Government or payments from annuities and pensions;
- c. taxpayer does not claim a deduction for alimony payments;
- d. taxpayer does not claim credit for foreign taxes paid;
- e. taxpayer only claims the Employment Credit, the Credit for Persons Age 65 or Older, the Compensatory Credit for Low Income Pensioners or the Credit for the Payment of Additional Duties for Luxury Vehicles under Act 42-2005;
- f. taxpayer is not required to pay estimated tax;
- g. taxpayer is a resident or nonresident individual who has not received remuneration for services rendered to Major League Baseball or U.S. National Basketball Association teams for games held in Puerto Rico; and
- h. the net income subject to alternate basic tax is less than \$150,000.

If any of these requirements is not met, they must file the Long Form.

5. Can a Federal Government employee pay the income tax liability in two installments?

Yes, Federal Government employees can pay their income tax balance due in two equal installments if they:

- a. are not required to pay estimated tax; and
- b. either file the income tax return not later than the due date established in the Code; and pay 50% or more of the tax liability with the income tax return; or
- c. request an Automatic Extension of Time to File the Income Tax Return, and pay with the request at least 50% of the tax liability.

6. I am a Federal Government employee working in Puerto Rico. Do I have to file a US and PR income tax returns? On which one do I claim the credit for foreign taxes paid?

Salary earned by a Federal Government employee who renders his services in Puerto Rico constitutes taxable income from sources within Puerto Rico. In this case, the employee must file an income tax return with the Government of Puerto Rico and another one with the Federal Government. The credit must be claimed in the U.S. income tax return for income taxes paid in Puerto Rico, with certain limitations.

7. Is the Cost of Living Allowance (COLA) received by Federal Government employees' taxable?

The COLA received by Federal Government employees is excluded from gross income up to the amount exempt under the Federal Internal Revenue Code.

The taxpayer must submit with the return evidence of the amount of COLA received and Form W-2. However, the Department of the Treasury may revoke the privilege granted if it is determined that the taxpayer did not comply with his tax responsibilities at any moment. In that case, the taxpayer must pay the amount due with the corresponding surcharges and penalties.

8. Is the Premium Pay paid in lieu of overtime to Federal Government employees, taxable income?

Yes, **Premium Pay** is taxable income in your return. If your Withholding Statement (Form W-2) does not provide information on your **Premium Pay**, you must submit with your return the Leave

and Earnings Statement of your last payment period (as of December 31 of the taxable year).

9. Are contributions made by Federal Government employees to the United States Government Retirement System deductible in the Puerto Rico Income Tax Return?

Yes, these contributions are allowed as a deduction in both the Short Form and the Long Form returns.

10. Are contributions made to a Thrift Savings Plan deductible?

Contributions made to a Thrift Savings Plan have already been excluded from salaries informed in the Withholding Statement. Therefore, they cannot be deducted again when computing your taxable income.

11. How are distributions from a Thrift Savings Plan taxed?

Distributions from a savings plan such as a Thrift Savings Plan are taxed as ordinary income when received by the employee. Nevertheless, they might be taxed as a long-term capital gain, if:

- a. the employer – employee relationship has been terminated; or
- b. the total amount of the distribution has been received within the same taxable year (one payment or various payments within the same year).

If you are making contributions to both a Thrift Savings Plan and an Individual Retirement Account (IRA), the total amount of contributions may not exceed the sum of the limit provided in Section 402(g) of the Federal Internal Revenue Code of 1986, as amended, and the limit of \$5,000 for contributions to an IRA.

12. I work for a federal employer who has a health insurance payment plan. Such plan is reported on my Form W-2 as “Health Benefit”. What is the tax treatment in Puerto Rico of contributions made by the federal employer to such plan?

Contributions to the “Health Benefit Plan” consist of a health insurance premium remitted by the employer directly to the insurance company and paid with employee salary funds.

Therefore, this payment is part of the employee's salary income. Nevertheless, the contributions might be claimed as a medical expense deduction in the taxpayer's income tax return. The deduction allowed equals to the total medical expenses paid not

compensated by insurance or otherwise that exceeds 6% of the adjusted gross income.

13. I was transferred from the United States to Puerto Rico during the taxable year. How do I file my return?

An individual who changed his residence to Puerto Rico during the taxable year must file a return in Puerto Rico to report all income earned (from whatever sources derived) from the date of change of residence to the end of the taxable year (December 31). Earnings from sources outside Puerto Rico received prior to becoming a Puerto Rico resident are not taxable in Puerto Rico, but no deduction attributable to amounts excluded from gross income will be allowed.

Also, if an employee is transferred from Puerto Rico to the United States, a return must be filed in Puerto Rico to report all earnings received (from whatever sources derived) until the date of transfer. If you were transferred to Puerto Rico and are claiming moving expenses, you need a certification from your employer. The amount reimbursed by your employer must be included on Schedule IE Individual, Part II, line 20.

14. What is the tax treatment in Puerto Rico of contributions made by Federal Government pensioners to the Survivor Benefit Plan?

These payments are included in the Federal Government Pensioner gross income and are not deductible as payments made to a retirement plan. Therefore, the amount indicated as "gross amount" in Form W-2 must be included as pension income in the income tax return.

15. Is a Federal Government pensioner entitled to any income tax benefits in Puerto Rico?

Yes, a Federal Government pensioner is allowed each taxable year to exclude from his/her income the first \$11,000 received as pension payments if he/she is under 60 years old. If the pensioner is 60 years or older, he/she is entitled to an exclusion of \$15,000 per year.

All retired employees whose only income consists of a pension received from a United States Government Retirement System, are exempt from filing an income tax return if such pension does not exceed the amount excluded from income (\$11,000 or \$15,000). If the taxpayer receives more than one pension or annuity, the exclusion will apply for each pension or annuity separately. In such

cases, he/she must complete one Schedule H Individual – Income from Annuities or Pensions for each pension or annuity.

- 16. I am a Federal Government pensioner residing in Puerto Rico. Before retiring, I worked in Puerto Rico as well as in the United States. Do I have to include all pension income in my Puerto Rico Income Tax Return?**

Yes. Since you are a Puerto Rico resident you must include the total income received in your Puerto Rico Income Tax Return. However, you are entitled to claim a credit (with certain limitations) for income taxes paid to the United States for the income related to the years of service outside Puerto Rico.

- 17. I have been working for several years with the Federal Government and have always filed U.S. Individual Income Tax Return, but never a Puerto Rico Income Tax Return. May I file it now?**

All Federal Government employees residing in Puerto Rico are **required to file an income tax return in Puerto Rico**. Those who have only filed U.S. Individual Income Tax Returns must file the corresponding Puerto Rico income tax returns as soon as possible. In this case, you must amend the U.S. income tax return to claim a refund for the income taxes paid to the United States on income from sources within Puerto Rico, to the extent of the foreign tax credit allowed therefor according to the Federal Internal Revenue Code.

- 18. I am a Puerto Rico resident working for the Federal Government. I have to work several months of the year in the United States. What income do I have to include in the Puerto Rico income tax return?**

A Puerto Rico resident must include the total income received during the taxable year in the Puerto Rico income tax return, regardless of its source. In this case, you may claim a credit against the income tax to be paid in Puerto Rico (with certain limitations), for the income tax paid or accrued to the United States on income earned from sources outside Puerto Rico. You must use Schedule C Individual to determine the credit. Remember that you must keep for your records a copy of the U.S. income tax return.

- 19. I am married living with my spouse and resident of Puerto Rico. I have adjusted gross income of \$30,000 from sources within Puerto Rico, but I also have adjusted gross income of \$10,000 from sources outside Puerto Rico (United States). I have an income tax liability of \$2,730 in Puerto Rico, and of \$1,000 in the United States. How do I claim the credit for the income tax paid to the United States?**

You must determine your credit using Schedule C Individual - Credit for Taxes Paid to Foreign Countries, the United States, its Territories and Possessions. See the following example, which assumes that the taxpayer claimed the \$7,000 personal exemption corresponding to his filing status (married living with spouse and filing jointly).

Schedule C Individual

Rev. Mar 9 12



CREDIT FOR TAXES PAID TO FOREIGN COUNTRIES, THE UNITED STATES, ITS TERRITORIES AND POSSESSIONS

2011

Taxable year beginning on _____ and ending on _____

Taxpayer's name *John Doe*

Social Security Number
999-99-9999

Taxpayer Spouse Both

Computed for the alternate basic tax

Resident of: Puerto Rico United States Other (Indicate possession, territory or country) _____

Citizen of: United States Other (Indicate) _____

Part I Determination of Net Income from Sources Outside of Puerto Rico

30

	Foreign Country, Territory or Possession of the United States			United States (See instructions)	Total (See instructions)
	A	B	C		
Name of the country, territory or possession					
1. Gross income subject to tax from sources of the country, territory or possession:					
a) Interest	00	00	00	00	00
b) Dividends	00	00	00	00	00
c) Rental income	00	00	00	00	00
d) Capital gain	00	00	00	00	00
e) Fiduciary income	00	00	00	00	00
f) Wages	00	00	00	10,000	00
g) Professions, industry or business	00	00	00	00	00
h) Others	00	00	00	00	00
i) Total gross income subject to tax (01)	00 (06)	00 (09)	00 (12)	10,000	10,000 (15)
2. Deductions and losses:					
a) Expenses directly related to the income on line 1(i) (02)	00 (07)	00 (10)	00 (13)	00 (16)	00
b) Losses from foreign sources (03)	00 (08)	00 (11)	00 (14)	00 (17)	00
c) Pro rata share of other deductions:					
(i) Other expenses and deductions not related to a category of income (04)	7,000	00			
(ii) Gross income subject to tax from all sources (See instructions) (05)	40,000	00			
(iii) Percentage of gross income subject to tax from sources of the country, territory or possession (Divide line 1(i) by line 2(c)(ii). Enter the result rounded to two decimal places)	%	%	%	25 %	100 %
(iv) Multiply line 2(c)(i) by line 2(c)(iii)	00	00	00	1,750	7,000
d) Total deductions and losses (Add lines 2(a), 2(b) and 2(c)(iv))	00	00	00	1,750	7,000
3. Net income from sources of the country, territory or possession (Subtract line 2(d) from line 1(i))	00	00	00	8,250	3,000

Retention Period: Ten (10) years

Part II Taxes Paid to the United States, its Possessions and Foreign Countries										
Credit for taxes: <input type="radio"/> Paid <input type="radio"/> Accrued	Foreign Country, Territory or Possession of the United States						United States (See instructions)	Total (See instructions)		
	A	B	C							
Name of the country, territory or possession										
1. Taxes paid or accrued during the year (18)	00	00	00	00	00	00	1,000	00	1,000	
2. Date paid or accrued							03/2011			
Part III Determination of Credit										
1. Net income from sources of the country, territory or possession: (Part I, line 3)	00	00	00	00	00	00	8,250	00	8,250	
2. Net income from all sources (See instructions) (23)	40,000 00									
3. Limitation (Divide line 1 by line 2. Enter the result rounded to two decimal places)	%	%	%	%	%	%	21	%	100	
4. Taxes to be paid in Puerto Rico (See instructions) (24)	2,730 00									
5. Limitation by country, territory or possession:										
a) Multiply line 4 by line 3	00	00	00	00	00	00	573	00	2,730	
b) Enter the smaller of line 5(a) or Part II, line 1	00	00	00	00	00	00	573	00		
6. Total limitation:									573	00
a) Add line 5(b) from Columns A, B, C and United States									573	00
b) Enter the smaller of the Total Column, line 5(a) or line 6(a). Transfer to Part 3, line 16 of the return									573	00

Retention Period: Ten (10) years

20. I am a Puerto Rico resident, and rendered all my services for the Federal Government in Puerto Rico. May I claim a credit for the Alternative Minimum Tax paid in the U.S. Individual Income Tax Return?

No. Since you only worked in Puerto Rico, you will not be able to claim such credit. Nevertheless, you may claim credit for the Alternative Minimum Tax paid in the U.S. Individual Income Tax Return on income from sources outside Puerto Rico, subject to the limitations established in Section 1051.01 of the Code. You must complete Schedule C Individual, included in the income tax return (Long Form).

21. Do military personnel of the United States Armed Forces, who enlisted in Puerto Rico, have to file an income tax return in Puerto Rico?

Yes. A member of the military who enlists in Puerto Rico and keeps his/her legal residence in Puerto Rico must file a Puerto Rico income tax return according to the following requirements:

- a. If the person rendered services outside of the United States (overseas) or in Puerto Rico, he/she must file the Puerto Rico income tax return and include the income from all sources. However, he/she can claim a credit in the U.S. return for income taxes paid in Puerto Rico.
- b. If the person rendered services in the United States, he/she must file a return including income from all sources. However, he/she can claim a credit in Puerto Rico for income taxes paid in the U.S. return.

22. I enlisted in the United States military service in Puerto Rico and kept my legal residence in Puerto Rico. I rendered services in the United States but for a few months I was assigned to a military base in Puerto Rico. Do I have to file the Puerto Rico income tax return and include the whole year income?

Yes, since you are a Puerto Rico resident, you must file the Puerto Rico income tax return reporting all your earnings, and you may claim a credit in such return for any income taxes paid to the United States. In addition, you can claim a credit in your U.S. return for income taxes paid to Puerto Rico on income from services rendered in Puerto Rico.

23. I am military personnel retired from the United States Armed Forces and kept my legal residence in Puerto Rico. During my years of service, I rendered services in Puerto Rico as well as in the United States and outside of the United States (foreign). How do I claim the credit for income taxes paid to the United States?

The source of income from pensions received from the United States Armed Forces is determined by reference to the place where the services were rendered. To determine the credit, you must determine the income from sources within and outside Puerto Rico as follows:

$$\frac{\text{Years of Service in P.R.}}{\text{Total Years of Service}} \times \text{Total Pension Income Received} = \text{Pension Income from Sources Within P.R.}$$

$$\frac{\text{Years of Service in U.S. + Years of Foreign Service}}{\text{Total Years of Service}} \times \text{Total Pension Income Received} = \text{Pension Income from Sources Outside P.R.}$$

Then, you must determine the credit using Schedule C Individual - Credit for Taxes Paid to Foreign Countries, the United States, its Territories and Possessions. See the following example:

John Doe is 58 years old, married living with his spouse, resident of Puerto Rico. He retired from the United States Armed Forces after 20 years of service. This period includes 11 years in the United States, 5 years in a foreign country and 4 years in Puerto Rico. He received \$24,000 of pension income during the year.

- a. Net pension income:

$$\begin{array}{rcl} \text{Total Pension Income - Exempt Amount} & = & \text{Net Pension Income} \\ \$24,000 - \$11,000 & = & \$13,000 \end{array}$$

- b. Pension income from sources within Puerto Rico:

- i. Proportion of years of service within Puerto Rico

$$4 \text{ years} \div 20 \text{ years} = .20$$

- ii. Pension income from sources within Puerto Rico

$$.20 \times \$13,000 = \$2,600$$

c. Pension income from sources outside Puerto Rico:

i. Proportion of years of service outside Puerto Rico

$$11 \text{ years} + 5 \text{ years} = 16 \text{ years} \div 20 \text{ years} = .80$$

ii. Pension income from sources outside Puerto Rico

$$.80 \times \$13,000 = \$10,400$$

24. Can military personnel activated and transferred to render military service outside of Puerto Rico request an extension of time to file the income tax return?

Yes. An extension of time to file the income tax return will be granted to every taxpayer who during any armed conflict is activated and transferred to render military service outside of Puerto Rico. In such case, the return will be due on the 15th day of the tenth month following the date in which the taxpayer ceased active military service.

If the taxpayer is serving in the U.S. Armed Forces, or in support thereof, in a combat zone or is participating in a contingency operation (as such term is defined in Section 101(a)(3) of Title 10 of the US Code) at any time during the period designated by the President as the period of combatant activities or during the period of such contingency operation, the period during which the taxpayer is so serving, plus any period of qualified hospitalization for injuries suffered as a result of such service or operation, and the following six months, will be disregarded for purposes of determining, among others, the due date for filing the Puerto Rico income tax return. Thus, the due date for filing the Puerto Rico income tax return will be the 15th day of the tenth month following the taxpayer's return from the combat zone or contingency operation, or, if later, his/her release from qualified hospitalization.

25. What must military personnel activated during an armed conflict do in order to benefit from an extension of time to file the income tax return?

In order to benefit from the extension of time to file the income tax return, military personnel must:

a. File the income tax return by the 15th day of the 10th month following the date in which the taxpayer ceased active service or, if applicable, the date in which he/she returned from the combat zone or contingency operation or was released from qualified hospitalization.

- b. Indicate on the top central part of the income tax return's first page, the place of the armed conflict in which he/she was activated.
- c. Include the military orders, which show that he/she was transferred outside of Puerto Rico, that he/she was in a armed conflict, and the date of his return.

26. Can military personnel activated during an armed conflict request an extension of time to pay the income tax determined on their income tax returns?

Yes. An extension of time to pay the income tax determined on the income tax return will be granted to every taxpayer that during any armed conflict is activated and transferred outside of Puerto Rico. Such extension will be granted until the 15th day of the 10th month following the date in which the taxpayer ceased active military service or, if applicable, the date in which he/she returned from the combat zone or contingency operation or was released from qualified hospitalization. The tax determined will not be subject to the assessment of interest.

27. I am a military active in a combat zone. Do I have to include in my income tax return the income received during this period?

No. The compensation received by military personnel from active military service in a combat zone, declared as such by the President of the United States, is exempt from the payment of income tax.

28. How do I claim the credit for the income taxes paid to the United States, if I am a Federal Government retired employee (non military), resident of Puerto Rico and during my years of service, I rendered services in Puerto Rico, the United States and a foreign country?

To determine the credit, you must determine the income from sources within and outside of Puerto Rico as follows:

$$\frac{\text{Years of Service in P.R.}}{\text{Total Years of Service}} \times \text{Total Pension Income Received} = \text{Pension Income from Sources Within P.R.}$$

$$\frac{\text{Years of Service in U.S. + Years of Foreign Service}}{\text{Total Years of Service}} \times \text{Total Pension Income Received} = \text{Pension Income from Sources Outside P.R.}$$

Then, you must determine the credit using Schedule C Individual - Credit for Taxes Paid to Foreign Countries, the United States, its Territories and Possessions. See the following example:

John Doe is 63 years old, married living with his spouse, resident of Puerto Rico. He retired from the Federal Government after 30 years of service. This period includes 13 years in the United States, 6 years in a foreign country and 11 years in Puerto Rico. He received a pension of \$35,000 during the year.

a. Net pension income:

$$\begin{array}{rcl} \text{Total Pension Income - Exempt Amount} & = & \text{Net Pension Income} \\ \$35,000 - \$15,000 & = & \$20,000 \end{array}$$

b. Pension income from sources within Puerto Rico:

i. Proportion of years of service within Puerto Rico

$$11 \text{ years} \div 30 \text{ years} = .37$$

ii. Pension income from sources within Puerto Rico

$$.37 \times \$20,000 = \$7,400$$

c. Pension income from sources outside Puerto Rico:

i. Proportion of years of service outside Puerto Rico

$$13 \text{ years} + 6 \text{ years} = 19 \text{ years} \div 30 \text{ years} = .63$$

ii. Pension income from sources outside Puerto Rico

$$.63 \times \$20,000 = \$12,600$$

29. I enlisted in the Armed Forces in a State. I am not residing in Puerto Rico but I am currently working in Puerto Rico. Do I have to file an income tax return in Puerto Rico?

No. Military personnel who enlisted outside Puerto Rico and who render services in Puerto Rico due to military orders do not have to file Puerto Rico income tax returns, if their only income from sources within Puerto Rico consists of salaries for services rendered.

Under the Military Spouses Residency Relief Act (MSRRA) (Public Law 111-97), the spouse of an active service member that was transferred under military orders to a new military station in any of

the states, possessions or territories of the United States or the District of Columbia, can keep the original residence or domicile for tax purposes. The election must be made in the Withholding Exemption Certificate (Form 499 R-4.1). If the employee elects the provisions of MSRRA, no withholding of tax at source on wages shall be made for Puerto Rico purposes.

Thus, if your spouse elected under MSRRA, you must only file a Puerto Rico income tax return if you or your spouse receives income from sources within Puerto Rico that is not for services rendered.

30. Is the housing allowance paid to military personnel taxable in Puerto Rico?

No, this item is not considered taxable income. The amount paid for replacement lodging is excluded from gross income.

31. I am a veteran of the United States Armed Forces. Am I entitled to any special exemption?

Yes. If you are a resident of Puerto Rico and a veteran of the United States Armed Forces you are entitled to an additional personal exemption of \$1,500. If married filing jointly and both spouses are veterans, the exemption is \$3,000. You must keep for your records copy of Form DD-214 (Discharge from U.S. Armed Forces).

32. Are Federal Government employees' salaries subject to Puerto Rico income tax withholding at source?

Yes, salaries received by Federal Government and military employees are subject to Puerto Rico income tax withholding at source.

33. What form must be filed by the employee to determine the tax to be withheld?

The employee must submit to his/her employer a Withholding Exemption Certificate, Form 499 R-4.1 (English) or Form 499 R-4 (Spanish). This form must be provided by the employer to be completed by the employee. The employer must keep this form as part of the employee's record.

34. Is it true that all refunds from my income tax return might be deposited directly to my bank account?

Yes. You can choose to receive your refund faster and safely. The Department of the Treasury can deposit your refund directly to your checking or savings account.

To authorize the Department of the Treasury to deposit your refund directly to your account, you must complete the Authorization for Direct Deposit of Refund of your income tax return.

The account must be in a participating financial institution. You must verify this information directly with the financial institution.

35. I have income tax debts and would like to request a payment plan. Which office can I contact in order to receive information about such matters?

Every Federal Government employee, including military personnel, may request a payment plan, if he/she qualifies. You should visit or contact the Tax Collections Districts of the Department of the Treasury. At the end of this booklet you will find the list of such collection districts.

36. I am in the Armed Forces and have outstanding income tax debts. I have received orders to serve in a combat zone. Do I and my spouse qualify for any relief?

If the taxpayer is serving in the U.S. Armed Forces, or in support thereof, in a combat zone or is participating in a contingency operation (as such term is defined in Section 101(a)(3) of Title 10 of the US Code) at any time during the period designated by the President as the period of combatant activities or during the period of such contingency operation, the period during which the taxpayer is so serving, plus any period of qualified hospitalization for injuries suffered as a result of such service or operation, and the following six months, will be disregarded for purposes of determining the taxpayer's tax liability under the Code, including the imposition of interest, penalties and surcharges.

This relief is also available to the taxpayer's spouse, provided the spouse does not file separate returns.

Thus, no interest, penalties or surcharges will accrue on the taxpayer's outstanding debts, and no collection efforts may be made by the Puerto Rico Treasury Department, from the date he/she began service in such combat zone or operation and until the sixth month following his/her return from the combat zone or

contingency operation, or, if later, his/her release from qualified hospitalization.

37. What other booklets or informative material has the Department of the Treasury issued to provide additional information?

The Department of the Treasury is constantly issuing informative booklets and materials for orientation purposes. The following booklets are available and can be obtained at the Department:

- *Carta de Derechos del Contribuyente* (Spanish only)
- Informative Booklet to Provide Orientation about your Income Tax Return (English and Spanish version)
- *Folleto Informativo sobre la Contribución sobre Ingresos de Sacerdotes o Ministros* (Spanish only)
- *Folleto Informativo para Aclarar sus Dudas sobre Aspectos Contributivos en la Venta de Ciertas Propiedades Inmuebles* (Spanish only)
- *Folleto Informativo de Herencias y Donaciones* (Spanish only)
- Informative Booklet Regarding the Withholding at Source in Case of Services Rendered (English and Spanish version)

You can access our site at:
www.hacienda.gobierno.pr

You can also let us know your opinion through our E-mail at:
InfoServ@hacienda.gobierno.pr

The Taxpayer's Service Offices are located at:

Bayamón

Gutiérrez Building
Road #2
2nd Floor

Caguas

Governmental Building
Goyco Street, Acosta Corner
1st Floor, Office 110

Ponce

Governmental Center
2440 Las America Ave.
Office 409

Mayagüez

Governmental Center
50 Nenadich Street
1st Floor, Office 102

San Juan

Intendente Alejandro Ramírez Building
10 Paseo Covadonga
1st Floor, Office 101

San Juan – Mercantil Plaza

Mercantil Plaza Building
255 Ponce de León Ave.
Stop 271/2, Hato Rey

Arecibo

Governmental Center
372 José A. Cedeño Ave.
Building B, Office 106

Aguadilla

Punta Borinquen Shopping Center
Bert St., East Parade St. Intersection
Malezas Abajo Ward, Ramey Base

For technical assistance you can contact:

General Consulting Section

Intendente Alejandro Ramírez Building
10 Paseo Covadonga
1st Floor, Office 101
Tel: (787) 722-0216

The Collections Districts are located at:

Arecibo

Governmental Center
372 José A. Cedeño Avenue
Building B, Office 8
Tels: (787) 816-5678, (787) 816-0525
or (787) 816-0515
Fax: (787) 817-0092

Bayamón

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Road #2
Next to Hermanos Meléndez Hospital
Tels: (787) 740-3366 or (787) 740-3200
Fax: (787) 740-3455

Caguas

Governmental Center
Goyco Street, Acosta Corner
5th Floor, Office 508
In front of Public Transportation
Terminal
Tels: (787) 258-1597, (787) 258-1598
or (787) 743-4557
Fax: (787) 747-1435

Carolina

Carolina Government Center
Muñoz Rivera Street
1st Floor
In front of School of Arts
Tels: (787) 769-7620 or (787) 769-7630
Fax: (787) 768-4150

Guaynabo

Governmental Center
Parque de los Niños Avenue
1st Floor, Office 105
In front of Guaynabo Arts Center
Tels: (787) 272-8422 or (787) 272-8424
Fax: (787) 272-4675

Humacao

Governmental Center
Cruz Ortiz Stella Street
3rd Floor
Next to District Court of Humacao
Tels: (787) 852-2225, (787) 852-2226
or (787) 852-2257
Fax: (787) 285-5707

Mayagüez

Governmental Center
#50 Nenadich Street
2nd Floor, Office 211
Tels: (787) 805-7545, (787) 805-5535
or (787) 831-8231
Fax: (787) 986-7730

Ponce

Governmental Center
Las Américas Avenue
1st Floor, Office 101
Tels: (787) 843-6775 or (787) 844-2541
Fax: 844-2542

Río Piedras

Capital Center Building
North Tower, 11th Floor
Hato Rey
Tels: (787) 771-3049
Fax: 771-3058

San Juan

Capital Center Building
North Tower, 11th Floor
Hato Rey
Tels: (787) 771-3060
Fax: (787) 771-3057