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Tax

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Employer

Employee Retention Benefit- PRTD opens window for claims

January 8, 2019

On June 8, 2018, the Puerto Rico Treasury Department issued Internal Revenue Circular Letter 18-11 ("IR CL 18-11") establishing the procedures to be followed by every eligible employer in Puerto Rico to request the Employee Retention benefit for Employers affected by Hurricanes Irma and María ("the benefit"). Unfortunately, the period to apply for the benefit ended on December 31, 2018. Although, many eligible employers have already received the deposit of the benefit directly into their bank accounts, there are still several eligible employers that have not seen their deposit yet.

As a result, the Puerto Rico Treasury Department recently issued Internal Revenue Circular Letter 18-20 granting every eligible employer that filed the application for the benefit on time, the opportunity to file a claim (i) should they consider that the benefit was not received in accordance to IR CL 18-11, or (ii) to make any adjustments or corrections to the original application of the Benefit.

On this regard, eligible employers may file a claim for any of the following reasons:

1. adjust salaries paid during the eligible period for one or more employees
2. add locations that were not operating during the eligible period for which the employer was entitled to request the benefit
3. modify the rate of the benefit applicable to the eligible employer depending on the net income subject to tax for the taxable year 2017
4. add eligible employees for any location that was not operating
5. any other reason that requires the adjustment of the benefit

The period to file the claim started on January 1, 2019 and ends on February 28, 2019. The claim can only be filed through "Hacienda Virtual" under the section "Patronos y Agentes

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Retenedores". Once filed, the Puerto Rico Treasury Department will make the proper evaluation and issue a written determination for its approval or denial.
If as result of such claim, the eligible employer is entitled to an additional benefit, the payment will be made only through direct deposit to the account reported in the claim. On the other hand, in those cases where the adjustments result in an excess benefit amount received, the payment of such excess will also be processed through "Hacienda Virtual".

Please contact our Tax Department should you require additional information regarding this or any other tax issue. We will be glad to assist you.



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