



TaxNewsFlash

United States

No. 2016-447
October 5, 2016

Puerto Rico: Rulings, administrative determination letters to be published anonymously

The Treasury Department of Puerto Rico issued a “Circular Letter of Tax Policy” No. 16-06 (October 3, 2016) that establishes general procedures for the public release of taxpayer rulings and administrative determination letters on a “no name” or anonymous basis.

Background

Historically, the practice of the Puerto Rico Treasury Department (PRTD) has been to answer inquiries of taxpayers and other interested parties, whenever appropriate in the interest of sound tax administration, as to the tax effects of their transactions by “private rulings.”

Guidance issued in 1999 (Circular Letter No. 99-01) establish what was then a general procedure for the issuance of formal responses to taxpayer inquiries, in the form of rulings and administrative determination letters.

New procedures

In an effort to allow for disclosure of official interpretations by the PRTD as to the application of the Puerto Rico tax law, Circular Letter No. 16-06 was issued to amend Circular Letter No. 99-01. The new guidance provides that in the interest of sound public policy, rulings and administrative determination letters issued privately to taxpayers—such private rulings—will be made publicly available on a “no name” basis.

The new circular establishes the procedures to be followed by taxpayers and the PRTD in releasing the ruling letter to the public, including that:

- “Public rulings” will be issued within a period of six months after the issuance of the “private rulings” to taxpayers, and the public rulings will not disclose the taxpayer’s name or any details that may lead to the identification of the taxpayer.
- Within 30 days after the effective date of Circular Letter No. 16-06, taxpayers that file a ruling request pursuant to Circular Letter 99-01 also must include, with the filing of the request, a draft of their proposed “public ruling” that may then be used by the PRTD for public release. The draft of this “public ruling” must be in such manner that the taxpayer’s identity is protected and not disclosed to the public.
- Taxpayers that have pending ruling requests, that is, filed prior to the effective date of Circular Letter No. 16-06, will receive along with the ruling reply, a proposed draft of a “public ruling” based on the ruling requested.
- A taxpayer has 30 days after the issuance of the ruling reply to formally object the wording of the proposed “public ruling” (that will be attached to the ruling reply). The taxpayer can formally object to the draft of the “public ruling” by submitting a letter to the Assistant Secretary of Tax Policy, and in that letter explain the reasons for objecting and state how the wording of the proposed “public ruling” affects the taxpayer’s privacy.
- A final notice of publication will be mailed to the taxpayer at least 30 days before the date of public release. The taxpayer then has 30 days after the issuance of the final notice of publication to object to the publication of the “public ruling.”

For more information, contact a KPMG tax professional in Puerto Rico:

Rolando Lopez | +1 787-622-2765 | rlopez@kpmg.com

The information contained in TaxNewsFlash is not intended to be “written advice concerning one or more Federal tax matters” subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader’s knowledge on the matters addressed therein, and is not intended to be applied to any specific reader’s particular set of facts. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

KPMG International is a Swiss cooperative that serves as a coordinating entity for a network of independent member firms. KPMG International provides no audit or other client services. Such services are provided solely by member firms in their respective geographic areas. KPMG International and its member firms are legally distinct and separate entities. They are not and nothing contained herein shall be construed to place these entities in the relationship of parents, subsidiaries, agents, partners, or joint venturers. No member firm has any authority (actual, apparent, implied or otherwise) to obligate or bind KPMG International or any member firm in any manner whatsoever.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG’s Federal Tax Legislative and Regulatory Services Group at + 1 202.533.4366, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash-United States, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)