Schedule B1 Individual

Rev. Jan 15 14

CREDITS FOR PURCHASE OF PRODUCTS MANUFACTURED IN PUERTO RICO AND PUERTO RICAN AGRICULTURAL PRODUCTS

2013

Taxable year beginning on _____ , _____ and ending on _____ , _____

Taxpayer's name

Social Security Number

Part I — Credit for Increase in Purchases of Puerto Rican Agricultural Products (Section 1051.07) (13)

Agricultural Production Group, Agricultural Sector or Qualified Farmer	Contract Number Department of Agriculture	Purchases Increase	Percentage Granted	Amount of Credit	
	(01)			(06)	00
	(02)			(07)	00
	(03)			(08)	00
	(04)			(09)	00
	(05)			(10)	00

1. **Total credit for purchases of Puerto Rican agricultural products**	(11)		00
2. Credit carried from previous years (Submit Schedule)			00
3. Total available credit under Section 1051.07 (Add lines 1 and 2. Complete Part IV)	(12)		00

Part II — Credit for Purchase of Products Manufactured in Puerto Rico (Section 1051.09)

Manufacturing business: ⬭ **1** Yes ⬭ **2** No | Exemption Decree: ⬭ **3** Yes ⬭ **4** No | Annual sales volume in excess of $5,000,000: ⬭ **5** Yes ⬭ **6** No

Eligible purchases of products manufactured in Puerto Rico:

Manufacturing Business	Employer Identification Number	Manufacturing Business Identification Number	¿Did you receive from the manufacturer a certification establishing that the product is eligible?	Purchases Value	
			⬭ Yes ⬭ No		00
			⬭ Yes ⬭ No		00
			⬭ Yes ⬭ No		00
			⬭ Yes ⬭ No		00
			⬭ Yes ⬭ No		00
			⬭ Yes ⬭ No		00

1. **Total aggregate purchases value**	(13)		00

2. Aggregate purchases value of products manufactured in Puerto Rico during 3 of the 10 previous taxable years in which the purchases were smaller:

Year:	_____	_____	_____
Aggregate purchases value:	00	00	00

3. Average of aggregate purchases value during the basis period	(14)		00
4. Purchases increase (Subtract line 3 from line 1)	(15)		00
5. Total available credit under Section 1051.09 (Multiply line 4 by 10%. Transfer to Part III, line 3)	(16)		00

Part III — Credit for Purchase of Products Manufactured in Puerto Rico (Tuna Processing) (Section 1051.09)

Manufacturing business: ⬭ **1** Yes ⬭ **2** No | Exemption decree: ⬭ **3** Yes ⬭ **4** No | Annual sales volume in excess of $5,000,000: ⬭ **5** Yes ⬭ **6** No

Eligible purchases of tuna products manufactured in Puerto Rico:

Manufacturing Business	Employer Identification Number	Manufacturing Business Identification Number	¿Did you receive from the manufacturer a certification establishing that the product is eligible?	Purchases Value	
			⬭ Yes ⬭ No		00
			⬭ Yes ⬭ No		00

1. **Total aggregate purchases value**	(17)		00
2. Amount of credit (Multiply line 1 by 10%)	(18)		00
3. Credit for purchase of products manufactured in Puerto Rico (Part II, line 5)	(19)		00
4. Credit carried from previous years (Submit Schedule)			00
5. Total available credit under Section 1051.09 (Add lines 2, 3 and 4. Transfer to Part IV, line 5)	(20)		00

Part IV — Limitation of Credits for Purchases of Products Manufactured in PR and Puerto Rican Agricultural Products

1. Tax determined (Form 482.0, Part 3, lines 15 and 18)	(21)		00
2. Recapture of credit claimed in excess (Form 482.0, Part 3, line 20)	(22)		00
3. Total tax liability (Add lines 1 and 2)	(23)		00
4. Limitation of 1051.07 and 1051.09 credits (Multiply line 3 by 25%)	(24)		00
5. Available credit under Sections 1051.07 and 1051.09 (Add line 3 of Part I and line 5 of Part III)	(25)		00
6. Credit to be claimed under Sections 1051.07 and 1051.09 (Line 4 or 5, whichever is smaller. Transfer to Schedule B Ind., Part II, line 11)	(26)		00

Retention Period: Ten (10) years

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SCHEDULE B1 INDIVIDUAL

CREDITS FOR PURCHASE OF PRODUCTS MANUFACTURED IN PUERTO RICO AND PUERTO RICAN AGRICULTURAL PRODUCTS

INSTRUCTIONS

PART I – CREDIT FOR INCREASE IN PURCHASES OF PUERTO RICAN AGRICULTURAL PRODUCTS (SECTION 1051.07)

Section 1051.07 of the Code provides a credit to all eligible business that increases its purchases of Puerto Rican agricultural products to replace imported products available for sale on the local market.

The credit shall not be less than 5% and up to a maximum of 20% of the increase in purchases of agricultural products grown, produced and elaborated in Puerto Rico during the taxable year in which the credit is claimed, over the average of purchases of such products during the 3 preceding taxable years, or such part of that period that is applicable, or in some cases, the average of the 3 taxable years ending with the close of the taxable year that ended during calendar year 2003.

For purposes of the credit under Section 1051.07, an eligible business is the one that acquires Puerto Rican agricultural products through a contract between such business, the Secretary of Agriculture and an Agricultural Production Group promoted by the Department of Agriculture or an Agricultural Sector organized under the Puerto Rico Agriculture and Livestock Industry Regulating Act or with a Qualified Farmer.

Enter in the spaces provided, the name of each Agricultural Production Group, Agricultural Sector or Qualified Farmer from which you made the purchases; the number of each contract with the Department of Agriculture; the purchases increase; the percentage granted; and the amount of each credit according with the Tax Credit Certification issued by the Department of Agriculture.

Line 2 - Enter the amount of credit under Section 1040F of the Puerto Rico Internal Revenue Code of 1994, as amended, not used in previous years (carryover) due to the 25% limitation. Submit a detailed schedule to reflect the composition of the carryover.

PART II - CREDIT FOR PURCHASES OF PRODUCTS MANUFACTURED IN PUERTO RICO (SECTION 1051.09)

Section 1051.09 of the Code provides a credit against income tax of those eligible businesses that purchase eligible products manufactured in Puerto Rico, including component parts and accessories.

The credit is equal to 10% of the increase in purchases of such products during the taxable year in which it is claimed, over the average of the purchases made for the 3 years out of the 10 preceding taxable years in which the purchases were smaller, that is, excluding the 7 years of higher purchases.

Eligible businesses for purposes of the credit under Section 1051.09 are: (1) manufacturing businesses, and (2) any other company engaged in trade or business in Puerto Rico whose annual sales volume does not to exceed $ 5,000,000. However, businesses that have a tax exemption decree are not considered eligible businesses.

Eligible products are only those manufactured in Puerto Rico by a manufacturing business that, individually or in the aggregate with its affiliates, has had a net sales volume (within or outside of Puerto Rico) of one hundred million (100,000,000) dollars or less for the calendar year 2010. A product will be considered as a product manufactured in Puerto Rico only if more than thirty (30) percent of its value has been added in Puerto Rico.

Enter in the spaces provided for each manufacturing business from which the products were acquired the name, employer identification number, manufacturing business identification number and the value (cost) of each purchase. In case of manufacturing businesses with a tax exemption decree, the manufacturing business identification number will be the decree number. If the business does not have a decree, enter the number assigned by the Industrial Development Company. Also indicate if the manufacturer provided you with a certification to the effect that the product(s) acquired are eligible products. Do not include purchases of products that have been manufactured in Puerto Rico by a business related to the business claiming the credit.

The eligible business must keep the necessary records evidencing the value of purchases for which the credit is claimed, as well as, any certification issued by the manufacturer or other evidence of the nature of the eligible products purchased.

PART III - CREDIT FOR PURCHASE OF PRODUCTS MANUFACTURED IN PUERTO RICO (TUNA PROCESSING) (SECTION 1051.09)

The credit provided in Section 1051.09 of the Code is also available for purchases of tuna packaged and processed in Puerto Rico. In this case, the credit is 10% of the total amount of the purchases of such products made during the taxable year in which it is claimed, regardless of the volume of business of the processing plant or its affiliates. Tuna products are treated as manufactured (packaged and processed) in Puerto Rico only if more than thirty (30) percent of its value has been added in Puerto Rico.

Enter in the spaces provided, for each tuna manufacturing business (packaging and processing) from which the products were acquired, the name, employer identification number, manufacturing business identification number and the value (cost) of each purchase. In case of manufacturing businesses with a tax exemption decree, the manufacturing business identification number will be the decree number. If the business does not have a decree, enter the number assigned by the Industrial Development Company. Also indicate if the manufacturer provided you with a certification to the effect that the product(s) acquired are eligible products. Do not include purchases of products that have been manufactured in Puerto Rico by a business related to the business claiming the credit.

The eligible business must keep the necessary records evidencing the value of purchases for which the credit is claimed, as well as any certification issued by the manufacturer or other evidence of the nature of the eligible products purchased.

Line 4 - Enter the amount of credits under Sections 1040C, 1040D and 1040E of the Puerto Rico Internal Revenue Code of 1994, as amended, not used in previous years (carryover). Submit a detailed schedule to reflect the composition of the carryover.

PART IV - LIMITATION OF CREDITS FOR PURCHASES OF PRODUCTS MANUFACTURED IN PUERTO RICO AND PUERTO RICAN AGRICULTURAL PRODUCTS

The credits provided in Sections 1051.07 and 1051.09 of the Code may only be used to reduce 25% of the eligible business tax.