The Construction Sector of the 2012 Economic Census of Puerto Rico covers domestic operations of establishments primarily engaged in these broad types of activities:

- **Building construction** - by general contractors, special trade contractors, design-builders, developers, or construction managers.
- **Heavy construction** - includes work on nonbuilding structures, such as highways, sewer lines, power plants, and refineries by contractors, design-builders, developers or construction managers.
- **Land subdivision** - represents subdividing and developing raw land into lots for sale by subdividers.

Construction includes –

a. new or original construction
b. additions, alterations, rehabilitation, remodeling, or reconstruction; and
c. maintenance, repair, or service work.

If an establishment is **NOT** engaged in a construction activity, **DETERMINE** its business or activity in **ITEM 19** **AND COMPLETE** the report form as accurately as possible.

**DEFINITION OF ESTABLISHMENT**

A construction **establishment** is a relatively permanent office, or other place of business, where the usual business activities related to construction are conducted. Generally, a relatively permanent office is one which has been established for the management of more than one project or job which is expected to be maintained on a continuing basis.

Establishment activities include but are not limited to: estimating, bidding, scheduling, purchasing, and supervision of the actual construction work being done at one or more construction sites.

Examples of construction establishments are:

- Office or branch office of a construction contractor or builder, even if the office is in a home.
- Office or shop of a special trade contractor who specializes in activities such as plumbing, painting, carpentry, etc.
- A construction division or subsidiary of a manufacturing, mining or other business company, which undertakes construction for the parent company or others.
- A separate legal entity which has been established to carry out a given project, part of a project, or to undertake a construction project as a joint venture.

**GENERAL INSTRUCTIONS**

- Complete a separate report form for each establishment **owned or controlled** by your company or organization. If you did not receive a separate report form for each establishment, visit our web site at econhelp.census.gov or call 1-800-233-6136, between 8:00 a.m. and 6:00 p.m., Eastern time, Monday through Friday, to request additional report forms.
- Each report form should cover calendar year 2012. If book figures are not available, **estimates are acceptable**. However, if the accounting fiscal year is different from the calendar year, fiscal year figures will be acceptable for all items except payroll (calendar year figures for payroll should be available from the Internal Revenue Service (IRS) Form 941-PR, Employer’s Quarterly Federal Tax Return, or Form 944-PR, Employer’s Annual Federal Tax Return). Indicate in item 30 the exact dates covered.
- If an establishment stopped operating before January 1, 2012, indicate action and date in item 3, mark “X” the box to indicate “none” in item 4, and continue to item 30.
- If an establishment was closed, sold, or leased to another company or organization during 2012, complete the report form for the portion of 2012 that the establishment was operating as part of your company or organization.
• Dollar figures should be rounded to the nearest thousand as illustrated on the report form.

• If there are any questions or if any communication regarding this report form is necessary, reference the 11-digit Census File Number (CFN) shown in the mailing address.

• Please photocopy each completed report form for your records and return the original.

• Public reporting burden for this collection of information is estimated to average one hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to: Paperwork Project 0607-0937, U.S. Census Bureau, 4600 Silver Hill Road, AMSD-3K138, Washington, DC 20233. You may e-mail comments to Paperwork@census.gov; use “Paperwork Project 0607-0937” as the subject.

• Response to this collection of information is required unless it does not display a valid approval number from the Office of Management (OMB). The OMB eight-digit number appears in the upper right corner of the report form.

INSTRUCTIONS FOR SELECTED ITEMS

2. PHYSICAL LOCATION

Answer all sections (A and B) of item 2 even if the mailing address shown is correct.

3. OPERATIONAL STATUS

Mark “X” the ONE box that best describes the operational status of the establishment at the end of 2012.

• In operation – The establishment was open and actively conducting business on December 31, 2012.

• Temporarily or seasonally inactive – Although not conducting business at the end of 2012, the establishment will eventually reopen and conduct business under the same Employer Identification Number (EIN). Examples include businesses or establishments that close during the “off-season” or that temporarily close for remodeling. Complete all items on the form for the portion of 2012 during which the establishment was active.

• Ceased operation – The establishment has gone out of business or closed and does not plan to reopen. Provide the month, day, and year that the establishment ceased operation. Complete all items on the form for the portion of 2012 during which the establishment was in operation.

• Sold or leased to another operator – The establishment was sold or leased to another company or organization. Provide the month, day, and year that the change occurred and indicate the name, address, and EIN of the new owner or operator. Complete all items on the form for the portion of 2012 prior to the change in operator.

• Other status – The establishment’s operational status at the end of 2012 is not accurately described above. Please specify a description of the establishment’s operational status in the space provided.

5. SALES OR RECEIPTS IN 2012

A. Receipts, billings, or sales for construction work

Report your 2012 receipts for construction work.

Include:

• Work on new construction, additions, alterations, reconstruction, maintenance, repairs and service work.

• Receipts or billings for construction work under any type of contract – general, special trade, design-build, construction management, engineer-construct, turnkey, etc.

• Cost of labor, materials, overhead, and normal profit.

• Sales of houses and other buildings you built which were sold during 2012.

Exclude the cost of land other than site preparation. Also exclude the purchase cost or estimated value of raw land from the value of construction work.

B. Receipts for all other business activities

Report the receipts for all other business activities done by this establishment in 2012. Exclude non-operating income such as interest, dividends, or the sale of fixed assets.

6. E-COMMERCE SALES OR RECEIPTS IN 2012

E-commerce transactions are transactions completed over an Internet, electronic mail, Extranet, Electronic Data Interchange (EDI) network, or other online system.

Include:

• Sales or receipts generated as a result of e-commerce transactions or agreements negotiated online, including electronic mail (e-mail), between the customer and this establishment on the price or terms of construction work accepted, regardless of whether payment is made online.

• Online orders accepted by the corporate office but completed by this establishment.

• Sales generated from telephone transactions using interactive voice response systems.
7. **EMPLOYMENT AND PAYROLL**

If employees worked at more than one location, report employment and payroll for employees at the **ONE** location where they spent most of their working time.

**Include:**
- All full- and part-time employees working at this establishment whose payroll was reported on Internal Revenue Service Form 941-PR, Employer’s Quarterly Federal Tax Return, or Form 944-PR, Employer’s Annual Federal Tax Return, and filed under the Employer Identification Number (EIN) shown in the mailing address or corrected in item 1.
- Non-resident workers, whether or not FICA taxes were withheld.
- Salaried officers and executives of a corporation.
- Employees on paid sick leave, paid holidays, and paid vacation.

**Exclude:**
- Subcontractors and their employees
- Temporary staffing obtained from a staffing service.
- Purchased or managed services, such as janitorial, guard, or landscape services.
- Professional or technical services purchased from another firm, such as software consulting, computer programming, engineering, or accounting services.
- Proprietors or partners of an unincorporated business.
- Unpaid family members.

**A1. Number of paid construction workers**

Report number of paid construction workers for the quarterly periods including the 12th of March, June, September, and December 2012.

**A4. All other paid employees**

Report all other employees (including those engaged in supervision above the line-supervisor level (working-foreman level), sales, clerical, advertising, credit collection, installation, servicing of own products, executive, purchasing, finance, legal, professional and technical personnel, office staff, and others engaged in nonconstruction activities.) for pay period including March 12, 2012.

**B1. Payroll before deductions**

Report only for employees reported on lines A1 and A4.

**Include:**
- Wages, salaries, tips, vacation allowances, bonuses, commissions, and other compensation paid to employees during 2012, whether or not subject to income or FICA tax.
- Salaries of officers and executives of a corporation.
- Employee contributions to qualified pension plans.

**Exclude:**
- Payments to or withdrawals by proprietors or partners of an unincorporated business.
- Annuities or supplemental unemployment compensation benefits, even if income tax was withheld.
- Employer’s cost for payroll taxes and benefits.

**C. Employer’s cost for benefits**

**Include:**
- Legally required employer’s cost for benefits (employer payments for Social Security, Medicare, unemployment compensation, workmen’s compensation, and local disability programs, if required). Also include any legally required employer’s cost for benefits under non FICA regulations.
- Voluntarily provided benefits (payments for life insurance, medical insurance, pensions, welfare benefits, union-negotiated benefits, and other benefits).

8. **HOURS WORKED BY CONSTRUCTION WORKERS**

Report hours worked only for the construction workers reported in item 7A1.

**Include:**
- Hours worked during four specific pay periods including the 12th of March, June, September, and December 2012
- Overtime hours as actual hours worked not as straight-time equivalent hours.

**Exclude:** Hours paid for vacations, holidays (unless actually worked), or sick leave.
13. ASSETS, CAPITAL EXPENDITURES, AND DEPRECIATION CHARGES

A. Gross value of depreciable assets
Depreciable assets are the buildings, structures, machinery, and equipment owned by this establishment or its parent for which depreciation accounts are ordinarily maintained. If this establishment is part of a multi-establishment company, the parent company should assign to each establishment building and equipment that the establishment is responsible for as if it owned them. This establishment should include these as part of its beginning balances, additions, and disposals as appropriate as well as the allocation of related depreciation expenses. For example, if this establishment maintained a tenant relationship with the parent company or a subsidiary, and paid “rent” for the use of either buildings or equipment, do not report the value of this “rent”. Instead, in item report the gross value of the assets made available to this establishment as a result of this “rental” agreement as if the establishment owned them.

Include:
- Assets acquired through capital leases. If any building or equipment has been acquired under a capital leasing arrangement that meets the criteria set down by the Financial Accounting Standards Board (FASB), please report the original cost or market value as a fixed asset and as a capital expenditure if acquired in 2012. If the lease qualifies as an operating lease, do not include the value of the building and equipment as a fixed asset or capital expenditure.
- Assets acquired or produced to be leased to others as the lessor under an operating lease.
- Capital expenditures for construction in progress incurred in prior periods. Report current capital expenditures in line as if not completed and operational.

Exclude:
- The cost of land, but INCLUDE the value of land development.
- Assets leased to others under capital lease arrangements.

C. Capital expenditures for NEW buildings, structures, machinery and equipment, and job-site vehicles
Include new construction spending, software, computers and peripherals. Exclude maintenance and repair for which depreciation accounts are ordinarily maintained. Additions to construction-in-progress for company owned projects lasting more than one year that will be added, as depreciable assets should be reported currently rather than once the project has been completed and in use. Include the value of depreciable assets acquired through mergers and acquisitions.

D. Capital expenditures for USED buildings, structures, machinery and equipment
Include used automobiles, trucks, etc., major repairs and improvements and software, computers and peripherals, current expenditures for property, equipment, and capital improvements that were or will be chargeable to the fixed asset accounts and for which depreciation accounts are ordinarily maintained. Additions to construction-in-progress for company owned projects lasting more than one year that will be added, as depreciable assets should be reported currently rather than once the project has been completed and is in use. Include the cost of capital improvements that were made during 2012 which increased the value of property or adapted it for another use. Capital expenditures for leasehold improvements (made to property leased from others) are also included.

E. Gross value of depreciable assets
Include depreciable assets sold, retired, scrapped, destroyed, lost, or otherwise disposed of that should also include acquisition cost of transfers or depreciable assets to assets held for sale and reductions in value due to impairment.

G. Depreciation charges
Report depreciation charges for the year relating to the assets allocated to the reporting establishment by a parent or affiliate.

14. RENTAL PAYMENTS
If this establishment is part of a multi-establishment company or a subsidiary rented property for the use of this establishment and paid the rent, the rent should be reported in item as if the establishment paid it. However, if this establishment rented buildings or equipment from the parent or affiliate as a tenant, then the value of assets should be reported in item.

Exclude capital leases (leases with a contract to own at the end of the lease) as well as rentals of assets owned by parent reported in item.

16. SELECTED EXPENSES
This section is intended to complete a comprehensive reporting of operating costs and expenses incurred by this establishment not already identified for collection on the form. Certain costs of construction and expenses were already collected in item, item, and item on the form.

A1. Cost of materials, parts, and supplies
Report job-site, general office, and all other material, part, and supply costs relating to the construction and other business activities of this establishment.
Include:
- Equipment purchased by this establishment that was installed in a building as an integral part of its structure, such as elevators, air conditioning equipment, etc.
- Costs after discounts for the materials, parts, and supplies that were purchased by this establishment or obtained from other establishments of your company.
- Freight and other direct charges for the materials, parts, and supplies used in 2012.
- Expendable tools that were charged to current accounts in 2012.

A2. Cost of construction work subcontracted out to others

Include your payments to subcontractors for construction work.

Exclude the cost of non-construction work subcontracted out unless it is incidental to the primary construction activities of the subcontractor. Services such as abatement, refuse removal, design work or surveying should be reported in 16B.

B. Selected purchased services

Include costs for each of the services purchased from other companies that are paid directly or incurred by a parent or affiliate for this establishment and have not been reported elsewhere in the form which are considered as overhead or non-job related.

Exclude:
- Salaries paid to employees of this establishment for any professional and/or technical services.
- Materials, parts, and supplies used for repairs and maintenance performed by this establishment’s employees.
- Lease and rental payments for equipment, building, other structure, or land by this establishment and reported item 14, Rental Payments.
- Cost of construction activities subcontracted to others and reported in item 16A, line 2.
- Cost of any utility payments if payments are included in a lease or rental payment and reported in item 14 or gasoline, fuels, and energy reported in item 16A.
- Income taxes, purchases of merchandise for resale, bad debts, impairment charges, interest and other non-operating expenses.

19. PRINCIPAL KIND OF BUSINESS

Choose the PRINCIPAL kind of business that best describes the establishment in 2012. If none of the provided selections seem appropriate, mark “X” the box next to “Other kind of business or activity,” at the end of item 19 and provide a specific description of the primary business activity.

22. DETAIL OF SALES OR RECEIPTS IN 2012 – KIND OF BUSINESS

The kind of business activities reported in item 22 should be consistent with item 5, line C. That is, the sum of the percentages reported in 22A for construction activities should equal the percentage obtained when the total dollar value of construction activities in 5A is divided by the total reported in 5C.

For example, if you reported $75,000 in 5A and $100,000 in 5C, then the sum of the percentages reported in 22A should equal 75%. The sum of the percentages reported in 22B for other business activities should equal the percent obtained when the dollar value of 5B is divided by that of 5C. The sum of the entries in 22A AND 22B should equal 100%.

A. Construction work activities

Report only the main activities for which you were contracted. Work which was incidental to the primary activities of jobs should not be reported separately. For example,

- If you were contracted to design and build, do not separate out the design part from the construction work.
- If you were contracted to shingle a roof, do not separate out incidental gutter and downspout installation.
- If you were working as a general contractor, do not separate out carpentry work, excavation work, etc.
- If this establishment engaged in construction activities that are not listed on the form, please enter a description of the construction activity in the “Other kinds of construction” write-in box, along with a percentage of the total value of business for that specified activity.

B. Other business activity

Report any non-construction activities. If the activity is not listed on the form, please enter a description of the non-construction activity in the “Other business activities” write-in box, along with a percentage of the value of total business for that specified activity.

23. SOURCES OF SALES AND RECEIPTS

This question requests that the amount reported in 5A be broken down by type of construction for buildings and other types of construction. Estimate the percent of the dollar value of construction work reported in 5A according to the specified types of construction:
New construction – the original construction work done on a project including all finishing work on the original building or structure. Land development work on the site and demolition of existing structures are included in new construction.

Additions, alterations, or reconstruction – construction work which adds to the value or useful life of an existing building or structure, or which adapts a building or structure to a new or different use. Included are "major replacements" of building systems such as the installation of a new roof or cooling system and the resurfacing of streets or highways. This contrasts to the repair of a hole in a roof or the routine patching of highways and streets, which would be classified as maintenance and repair.

Maintenance and repair work – incidental construction work which keeps a property in ordinary working condition. Excluded are trash removal, lawn maintenance and landscaping, and cleaning and janitorial services.

26. SPECIAL INQUIRIES

A. Ownership of construction projects
General contractors and finance source such as lending institutions are not normally owners. Work on highways should be reported as Government-owned construction.