

# **HIGHLIGHTS OF PUERTO RICO TAX INCENTIVES**

## **INDIVIDUAL INVESTORS ACT (ACT 22-2012)**

- 100% tax exemption from Puerto Rico income taxes on all dividends for new Puerto Rico residents
- 100% tax exemption from Puerto Rico income taxes on all interest for new Puerto Rico residents
- 100% tax exemption from Puerto Rico income taxes on all short-term and long-term capital gains accrued after the individual becomes a bona-fide resident of Puerto Rico
- 0% federal taxes on Puerto Rico sourced income
- Decree benefits secured until December 31, 2035

## **TAX INCENTIVES TO PROMOTE EXPORT SERVICES IN PUERTO RICO (ACT 20-2012)**

- 4% corporate tax rate, which may be reduced to 3%
- 100% tax exemption on dividends from export services businesses
- Decree of 20 years, renewable for an additional 10 years

## **INTERNATIONAL FINANCIAL ENTITIES (ACT 273-2012)**

- 4% income tax
- 0% on dividends or other distributions of profits to non-Puerto Rico residents
- 100% exemption on municipal taxes
- 100% exemption on property taxes

## **FILM AND CREATIVE SERVICES**

- 40% tax credit on all payments to Puerto Rico residents
- 20% tax credit on all payments to non-resident talent (including stunt doubles)
- 25% tax credit on development or expansion costs of studios, laboratories, facilities for the international transmission of television images or other media and related infrastructure

# **HIGHLIGHTS OF PUERTO RICO TAX INCENTIVES**

## **MANUFACTURING, KEY SUPPLIER SERVICES, RESEARCH & DEVELOPMENT**

- 4% income tax on industrial development income
- 0% to 1% tax rate on income for pioneer or novel products manufactured in Puerto Rico
- Up to 50% tax credit on purchases of products manufactured or recycled locally
- Up to \$5,000 for each job created during the first year

## **AGRICULTURE**

- 100% exemption on taxes for agricultural equipment
- 100% exemption on property taxes (land, buildings, vehicles, etc.)
- 100% exemption on municipal taxes
- 100% exemption on stamp payments

## **FOREIGN TRADE ZONES (FTZ)**

- Largest non-contiguous FTZ system in the United States
- Deferment of federal customs duties
- Deferment of Puerto Rico excise taxes
- 100% exemption of exports from the zone

## **RENEWABLE ENERGY (GREEN ENERGY FUND)**

- Rebates of up to 60% of eligible costs for Tier 1 (0-100 kW) and up to 50% for Tier 2 (101 kW-1MW)
- 60% refund on acquisition and installation costs incurred during the installation of renewable energy equipment for residential properties and small businesses (50% for other businesses).

## **TOURISM AND HOSPITALITY**

- 10% tax credit on the total project cost
- 100% exemption on municipal construction excise tax, taxes on imported goods, and sales tax
- 100% exemption on municipal licenses
- 90% exemption on income tax and property tax