

# Puerto Rico

AN ISLAND OF OPPORTUNITIES



## Why Puerto Rico?

Located in the heart of the Caribbean, Puerto Rico provides a strategic location and great incentives that can help you build strong business relationships.



## What is the Act 60-2019?

- ▶ The Puerto Rico Incentives Code was created to attract investment to promote the economical development of the island. The Act 60 compiles all tax incentives under one law to simplify the process of obtaining incentives. This can help ease the way of doing business in Puerto Rico.
- ▶ The two principal incentives that can benefit you are: Individual Investor and Export of Services.

## Who's eligible for Act 60?

### Individual Investors



### Companies



- Exportation of Goods and Services
- Manufacturing
- Visitor Economy
- Infrastructure and Green Energy
- Agriculture
- Creative Industries
- Tourism

# Act 60 Benefits & HLB Support

# Individual Investors

## Act 60/2021.01

This tax decree applies on Individual Investors who become Puerto Rico residents on or before the taxable year ending on December 31, 2035.

### Benefits.

- Individuals will enjoy 100% exemption from Puerto Rico Income Taxes on interest and dividends and on certain capital gains realized and accrued after establishing bona fide residency during the period of the exemption.

### Requirements.

- The individual was not a resident of Puerto Rico at any time from 2006 until 2014.
- Comply with the bona fide residency requirements. 3 main tests: Physical presence, closer connection and tax home.
- Make annual donations of \$10,000 to Puerto Rico nonprofit organizations.
- Purchase real property to be used as principal residence within 2 years of getting the application approved.
- File yearly Annual Report with a filing fee of \$5,000.

# Export of Goods and Services

## Act 60/2031.01

This tax decree applies to businesses that have an office in Puerto Rico and provide one or more of the eligible services through export. Among the eligible services: Consulting Services, Advertisings, Marketing Services, Professional Services, Trading and Centralized Management.

### Benefits.

- Income Tax: 4% of net income derived from exempt operations.
- Dividends are 100% exempt from income taxes in Puerto Rico.
- Real and Personal Property Tax: 75% exemption for business with business volume of \$3M or more. For business with less than \$3M of volume, 100% exemption for 5 years and 75% after.
- Municipal Tax: 50% of exemption of tax.

### Requirements.

- One full time employee resident of Puerto Rico for businesses with volume of \$3M.
- File yearly Annual Report with a filing fee of \$500.

# HLB Support

HLB will assist you throughout the whole application process. We will complete most of the documentation required and will guide you even after your decree is approved. We also offer bookkeeping and tax preparation services that will satisfy all your needs.

### Government Fees

The applications must be submitted through the Incentives portal.

#### Individual Investors

- Application Fee \$5,000 to submit.


#### Exports of Goods and Services

- Application Fee \$1,000 to submit.
- Registry Fees with the Department of State is \$250 for an LLC and \$150 for Corps.

## HLB READY TO JOIN US?


### Contact us:

**Luis R. Lomba, CPA**  
Managing Director & Partner

 787-646-1710

 [luis.lomba@hlbpr.com](mailto:luis.lomba@hlbpr.com)

### Office

 787-230-7100

 [Act60applications@hlbpr.com](mailto:Act60applications@hlbpr.com)