

New Economic Incentives Act Of Puerto Rico

Act No. 73

A. Eligible Business

- Manufacturing, Export services, Service to conglomerates, Services to key suppliers, R&D, Energy creation

B. Tax Incentives

- 4% fixed income tax rate for 15 years.
- 90% exemption from property and real property taxes.
- 60% exemption from municipal license taxes (sales tax).
- 0% tax on dividends paid by a tax exempt company to stockholders residents of Puerto Rico.
- 4% tax on capital gains upon sale of company stocks.



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B. Economic Incentives (Training Grants):

- Workforce Investment Act: reimburses up to 50% of the employee's salary during the training period (incumbent worker training) or up to 50% of an employee's training costs (customized training).
- Some PRIDCO incentives may be used for training of employees, including training overseas.



PRIDCO's Economic Development Programs

Cash Incentives Reimbursement for

- ▶ Job creation based on average salary.
 - ▶ Infrastructure (capital investments in any PRIDCO building) based on project investment.
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1. Law 20 Export Services

I. BENEFITS

- ▶ 4% fixed income tax rate for 20 years.
- ▶ 90% exemption from property and real property taxes.
- ▶ 60% exemption from municipal license taxes
- ▶ Stockholders who are residents of Puerto Rico pay:
 - ▶ 0% tax on dividends paid by a tax exempt company and
 - ▶ 4% tax on capital gains upon sale of company stocks.

II. ELEGIBLE ACTIVITIES

- ▶ Shared services
- ▶ Reservation center and back-office processes

