



**PUERTO RICO
PARADISE
PERFORMS**

**BE PART OF
OUR BUSINESS
ECOSYSTEMS**



GOVERNMENT OF PUERTO RICO
DEPARTMENT OF ECONOMIC
DEVELOPMENT AND COMMERCE

PUERTO RICO

The Perfect Site
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Products
& Services



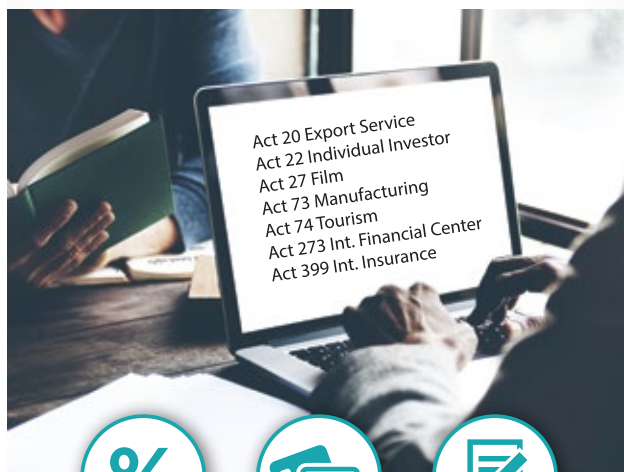
U.S. Legal
Protection



Human
Capital

PARADISE PERFORMS

TAX STRUCTURE



Exemption



Credit



Qualified
Activities



ACT 20: Tax Incentives to Promote Export Services

- 4% maximum corporate tax rate
- Dividends and distributions from earnings and profits are tax exempt
- Certain investment income also qualifies for 4% tax rate
- 60% exemption on municipal gross receipts tax
- No job creation requirement

ACT 22: Individual Investors

Tax Benefits:

- **Passive Income Exemption:** New residents will enjoy a 100% tax exemption from Puerto Rico income taxes on all dividend and interest income
- **Capital Gain Exemptions:** All capital gains accrued after becoming a new resident will be 100% exempt from Puerto Rico taxes. These gains will not be subject to federal taxes

Requirements:

- Available to new residents who have not lived in Puerto Rico over the 6 years preceding the effective date of Act 22 (January 16th, 2006 to January 16th, 2012)
- Residency requirement: 183 days in Puerto Rico
- In addition, the individual investors shall comply with the requirement of Section 937 of the U.S. Internal Revenue Code

Expedite process on Act 22 (for new cases) average 30 days. (Tax exemptions under Act 22 are valid through December 31, 2035).

ACT 27: Economic Incentives for Film Development

- 40% production tax credits on all payments to Puerto Rico resident companies and individuals
- 20% production tax credits on all payments to qualified non-resident individuals
- 10% additional tax credits if Puerto Rico is incorporated into the film story in a positive light
- 25% production tax credits on infrastructure development or expansion costs of movie production studios (with a minimum \$1 million USD investment)
- 6% to 10% fixed income tax rate in studio operators
- 4% fixed income and corporate tax rate for film projects
- 100% exemption from hotel room tax and dividend tax, municipal license and construction tax, and excise taxes on imported articles to be used in eligible activities
- 90% exemption on municipal and state property taxes

ACT 73: Economic Incentives for the Development of Puerto Rico

- 4% corporate income tax rate for manufacturing, technology, software development and other qualified activities
- 50% tax credit for eligible R&D activities; applies to federal funded programs
- 90% exemption for 15 years on real/personal property taxes
- 60% exemption on municipal license tax
- 100% exemption on dividends distribution
- 12% tax withholding for royalties paid to foreign entities

PARADISE PERFORMS

INDUSTRIES



Aerospace
& MRO



Exports



And More...



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INDUSTRIES



Advanced
Manufacturing



Life Sciences



Information
Technology



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PARADISE PERFORMS

INFRASTRUCTURE



Airports



Telecommunications



Industrial
Parks



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ACT 74: Tourism Development Act

- **Tax credit equal to 10%** of the total project costs or 50% of the cash investment made by investors (whichever is less).
- **Tax Credit Equal to 30%** of the total eligible project cost. The First 10% may be taken the year in which the exempt business obtained the necessary financing to complete the construction of the tourism project. The 20% may be taken in three (3) equal installments as follows: the first in the year in which the exempt business receives its first paying guest; the second in the year of the first anniversary after the exempt business received its first paying guest; and the third in the year of the second anniversary after the exempt business received its first paying guest or subsequent years until exhausted.
- **Tax Credit Equal to 40%** of the total eligible project cost, and to be taken in three (3) equal installments: the first one third of the Alternate Tax Credit may be taken in the second year after the tax-exempt business began its operations, the second one third the third year after the tax-exempt business began its operations, the last third the fourth year of after the tax-exempt business began its operations.

Tax Exemptions

- 100% exemption on municipal construction excise tax, 75% Vieques/Culebra
- 100% exemption on taxes on imported goods and sales tax
- 100% exemption on licenses fees, excise taxes and other municipal taxes for new business, 90% for existing business, 75% Vieques/Culebra
- 90% exemption on income tax
- 90% exemption on municipal and government on real property tax, 75% Vieques/Culebra

ACT 273: International Financial Center Act (Financial and Banking Entities)

- 4% Corporate income tax rate eligible activities
- 100% exclusion on interests, financing charges or participation in partnership benefits
- 100% exemption on real and personal property taxes if property belongs to the International Financial Entity
- 100% exemption on municipal license tax
- 100% exemption on dividends distribution

ACT 399: International Insurance Center Act

- Exemption from premium taxes
- Exemption on dividends and other profit distributions made by the international insurer and international insurer holding company
- Exemption on municipal franchise, real and personal property taxes
- \$1.2 million tax exemption on net income. 4% over \$1.2 million
- Exemption from premium taxes
- Exemption on municipal franchise, real and personal property taxes

PARADISE PERFORMS

EDUCATION



Universities
& Colleges



STEM



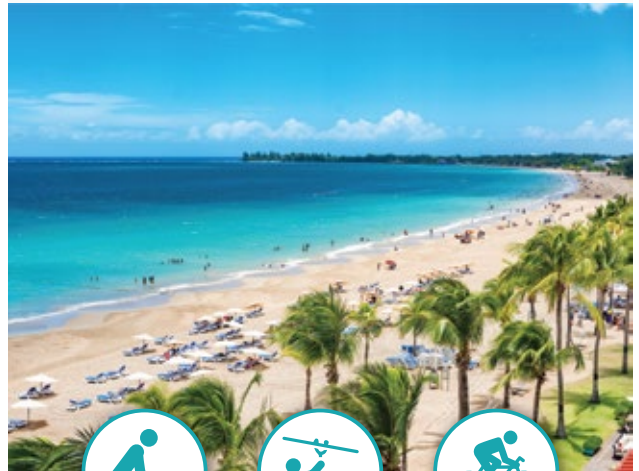
Highly
Educated



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QUALITY OF LIFE



Golf



Zipline



Biking



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ENTERTAINMENT



Concerts



Restaurants



Shopping



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is an island of opportunities where any company can establish, relocate or expand their operations while enjoying the benefits of doing business in a U.S. jurisdiction.

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